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WEDNESDAY 15 MAY 1996

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INSIDE TODAY'S SECTION TWO

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Living

Bridget Jones looks after the babies

The banker and the racial slur
The Anglo-Japanese affair turns sour



Semtex error could free 12 IRA men

Ministers order review of evidence

HEATHER MILLS
Home Affairs Correspondent

The criminal justice system was dealt another blow last night when the Government revealed that at least 12 IRA prisoners – a third of all those jailed in the last six years – may have been wrongly convicted because of contamination in a forensic science laboratory.

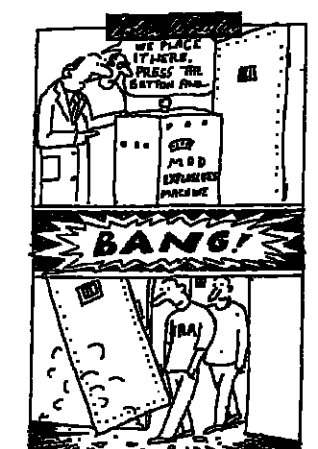
Government sources stressed that the chances of there being any miscarriages of justice were slight, but conceded the numbers of cases involved could be even higher following an independent investigation into the work at science laboratories in Kent. The news is a major setback in the fight against terrorism because of police fears that guilty men could go free.

Last night neither the scientists, the Home Office, nor the Crown Prosecution Service were prepared to identify which cases had been called into question by the discovery two months ago of explosive traces on a key piece of laboratory equipment. But 38 people have been convicted of explosives charges since 1989 – the time from which contamination may have occurred – and those cases over which there may now be some doubt are believed to include John Kinsella, one of those convicted of the Warrenpoint bombing, and Feilim O'Hadhmail, a university lecturer convicted of possessing Semtex.

The news of the accidental discovery, two months ago, of contamination by RDX, a component of Semtex – favoured by

the IRA – was broken to the Commons yesterday. Traces were discovered by accident in a crucial piece of machinery used in the analysis of evidence in bomb cases.

The equipment, a centrifuge machine the size of a microwave oven, has been used in almost all forensic tests on terrorist bombings since 1989. But it



emerged yesterday that neither the machine – which spins the dirt out of samples for testing – nor its parts had been tested or changed between experiments – despite what are supposed to be routine weekly laboratory checks at the laboratory.

The news provoked a furious political row, with Labour demanding that Mr Howard make a full emergency statement to the House today.

Jack Straw, the shadow Home Secretary, said: "This is a very serious matter and is

certainly one in which the Home Secretary should have made a full statement to the House of Commons instead of sheltering behind an incomprehensible written answer."

Irish government sources said: "The possibility that any person might be convicted on the basis of contaminated evidence is obviously a cause for concern. In view of the potential gravity of the issue we trust that the review and subsequent referral to the Court of Appeal will proceed in an expeditious manner."

But Mr Howard maintained last night that he doubted the inquiry would lead to the freeing of any IRA prisoners. "The chances of there having been a miscarriage of justice as a result of what has been discovered are very small, but I don't want to take any risks or leave any stone unturned. That is why we are having an independent investigation to look at this thoroughly, rigorously and speedily."

The affair is a major embarrassment for British justice which had been hoping to put behind it the spectre of a series of miscarriages of justice involving innocent Irish people – like the Birmingham Six, the Guildford Four, the Maguire family and Judith Ward – most of which involved flawed forensic evidence.

The cases of the Maguire family and that of Judith Ward – both going back to 1974 – included suggestions that the same laboratory at Fort Halstead was contaminated.

TURN TO PAGE 2

French President gets a taste of British steel



Point of honour: The French President Jacques Chirac inspects guardsmen in London yesterday on his first state visit to Britain. Photograph: AP

JOHN LICHFIELD

For the second time in three days a British city draped itself in red-white-and-blue tricolours yesterday to welcome a celebrated Frenchman.

The reception given to M. Cantona in Manchester on Sunday was a touch more raucous and spontaneous. But the reception given to M. Chirac in London yesterday scored heavily on symbolism, pomp and grandeur. Le Roi Eric had to

make do with an open-topped double-decker. President Jacques Chirac rode in an open carriage with the Queen along a tricolour-festooned Mall to Buckingham Palace.

Once there, royal symbolism gave way to political symbolism. President Chirac, and his wife Bernadette, sat down to a state luncheon of British beef. The Palace was at pains to point out, however, that the symbolism went only so far. Contrary to the assertions of certain Euro-

phobic newspapers, the Queen did not serve her guest Beef Wellington. The menu was *Filet de Boeuf aux Nouilles Provençales*.

President Chirac arrived by a scheduled Eurostar Channel tunnel train at Waterloo for a three-day state visit, the first by a French President for 12 years.

He will hold two hours of talks with the Prime Minister, John Major, at Downing Street today, when beef will again be on the agenda.

The President will address both Houses of Parliament today. He is expected to assault British Euro-scepticism head on, urging the Government to join the single European currency in 1999 and stating that Europe needs Britain and that Britain – like it or not – needs Europe. On Thursday he flies to Glasgow with the Prince of Wales, to visit urban regeneration projects on the notorious Easterhouse housing estate.

Mr Chirac was greeted at Waterloo by Princess Margaret and driven to Horse Guards Parade for the formal reception by the Queen.

The President's arrival at Horse Guards was marked by a rousing performance of the cancan by the 19th century Parisian composer Offenbach. Some members of the London French community, invited to attend the ceremony, appeared bemused by this choice. Others were just amused.

Leading article, page 14

Economy offers boost for Yeltsin

PHIL REEVES
Moscow

The first indication that Russia is emerging from its prolonged slump came yesterday in new figures released in Moscow. The country has seen the first month-on-month increase in its gross domestic product since it set foot along the rocky path towards economic reform in 1991, officials said.

Its GDP in April grew by 2 per cent on the preceding month, according to the chairman of the state statistics committee, Yuri Yurkov. His announcement came a month before the presidential election, fuelling speculation over whether government figures are being manipulated in the hope of winning votes.

But if confirmed by later statistics, it will be impressive evidence that, after five years of plunging living standards, lower production and growing unemployment, the Russian economy is finally stabilising and beginning to grow. Inflation for April is also down to a record post-reform low of 2.2 per cent.

Whether such signs of revival will percolate through to the electorate in time to bolster Mr Yeltsin's chances is questionable – the first round of the election is only a month away. But it will please the International Monetary Fund, which recently granted Russia a new loan of \$10.2bn.

Blow to democrats, page 8

British Library nearly scrapped

CHRIS BLACKHURST
Westminster Correspondent

The Government considered scrapping the new British Library project at St Pancras in central London in 1994 long after the shell of the building was finished and £450m of public money had been committed.

According to an official report published today, the library – dogged by continuous delays and cost over-runs – was close to being abandoned by the Department of the Environment. The National Audit Office, the public spending watchdog, said ministers relented and decided to inject a further £46m of tax-

payors' money to the project, taking the total bill to £496m.

In a hard-hitting report, the second by the NAO on the library, the full extent of the debacle is laid bare. MPs will question officials on the spiralling costs and delays – it is not expected to greet its first readers until November 1997, more than 20 years after the St Pancras site was selected.

This is the third slippage to hit the project since July 1991. The first phase, the bulk of the building comprising entrance hall, reading rooms, piazza, storage and offices, was due to be in use by July 1993. It was not completed until November

1995 and now, notes the NAO, no part of the building will be open until November next year.

Even so, research suggests that one key area, the new science and oriental reading rooms, will be full to capacity as soon as they open. There is even a hint the library may not be as vital as it once was since the NAO points out it is increasingly transmitting material to readers over the Internet.

The Audit Office also the possibility that the cost could rise still further since by the date of its report, the budget was fully committed. This £496m total to date also includes a contingency for the settlement of

claims now under way between contractors and the Government.

Almost all the cost increase was caused by problems on the first phase of the project. These related to three main areas: unsound electrical cabling; faulty fire sprinklers and a defective mechanical book shelving system.

Unfortunately, notes the National Audit Office, because of poor quality assurance these weaknesses were not spotted until work was "far advanced and expensive to rectify".

Problems were exacerbated by the Department of the Environment and the library not

seeing eye to eye over the project.

PA Consulting, the firm of management consultants hired by the Government to discover what was going wrong "expressed concern that the department and library were behaving as opposing partners rather than as partners," the audit office says.

The watchdog stresses that the main lessons that must be learnt for future projects are: agreeing objectives at the outset, providing financial incentives for the builders and establishing proper quality assurance controls.

News Analysis, page 13

Snail forces by-pass into slow lane

NICHOLAS SCHOON
Environment Correspondent

A slime-eating, marsh-dwelling mollusc, slightly larger than a ball bearing, could today achieve more than thousands of roads protesters in seriously delaying – and perhaps even halting – the Newbury bypass.

Government scientists will recommend that part of the route of the £101m road should be designated a European nature reserve – because of the rare and tiny Desmoulin's whorl snail.

for the snail. They are recommended the land should be designated as Special Areas of Conservation (SACs) under the EU Habitats Directive.

Lawyers acting for three nationwide conservation organisations will be seeking an opportunity to take legal action, in Britain and in the European Court, over the snail versus the road.

Friends of the Earth said it would try to find ways of getting an injunction halting the main construction work, due to start in less than four months.

The snail and its haunts are covered by the Habitats Directive because it is an "indicator species" for chalkland fens – a marker for a rare and declining European habitat.

It is already on a list of 116 threatened British plant and animal species for which the Government is considering rescue plans. Today, the Secretary of

State for the Environment, John Gummer, is due to publish his conclusions on the list of 116.

Among the whorl snail's British strongholds are the valleys of the Kennet and Lambourn. The eight-mile bypass will cross these chalk streams on large earth embankments.

If English Nature's council does go along with its scientists' recommendations, then the

Government could still drop the Newbury bypass sites from its final version of the list of snail SACs.

If it did, Friends of the Earth, the World Wide Fund for Nature and the Wildlife Trusts would consider seeking a judicial review.

Alternatively, ministers could accept the bypass SACs – but then argue that the road still had to be built on the grounds of overriding economic importance.

But to comply with the directive the Government would have to review the bypass, show that there was no alternative which missed the snail sites and offer a mitigation package, including alternative protected areas.

Ministers would have to delay construction work while they went through that review process.

Comment, page 15

IN BRIEF

Beef ban doubts

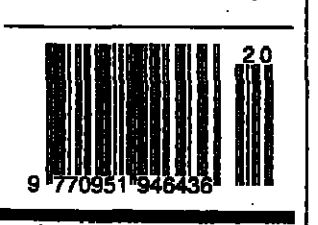
Britain's chances today of securing an easing of the beef ban for gelatin, tallow and semen was still in doubt last night as France remained hesitant, and Germany signalled strongly that it may yet call for a further delay. Page 2

Labour threaten Bill

Labour is threatening to kill the Family Law Bill, on the grounds that it is a "mess" after a series of Government retreats in the face of stiff opposition by Tory MPs. Page 3

Today's weather

Mainly dry and cloudy with some sun. Section Two, page 25



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Labour

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news

Beaver Dobson's attack shows the value of yogic flying

Yesterday saw the dawning of a New Parliamentary Age. In Pall Mall, England's fifth largest party held a press conference to reveal the names of those whom it would invite to share the co-operative administration of the realm. The Natural Law Party believes that government should be in the hands of the those who have "demonstrated the highest degree of creativity, alertness, organising ability and good fortune".

Bit of a blow for Douglas Hogg, then. The good news is that Edward Heath and Betty Boothroyd, robed in saffron, will be asked to lead MPs in daily meditation and yogic flying.



DAVID AARONOVITCH

Earlier, Tony Blair had been espousing similar values of calmness and contemplative deliberation for the Commons. His party (presumably now rechristened Natural Labour) wants to rid the House of adversarial, "yah-hoo" politics. Points of agreement, as well as difference,

will be emphasised. MPs who interrupt and shout will be made to sit on the naughty step. Depressingly, it took some time for his own members to get the message. Health questions were barely a minute old when Labour frontbencher, Henry McLeish (Fife Central) chided ministers for displaying "their characteristic complacency". "The situation" (kidney dialysis in this instance) was "grotesque" and "totally unacceptable". Not many marks for constructiveness there.

Natural Labour also promises to reform Parliamentary procedure. Which would have helped when John Bawls, the

gentle junior Health minister answered a written question thus: "Madam Speaker, I last did so on March 13th at the Council of Ministers". Did what? Talk dirty? Play draughts? Meet a European? We never found out.

Barry Field, the erratic member for the Isle of Wight, confused me even more by congratulating the Government on extra resources given for mental health in his constituency, and then asking the Secretary of State whether he was aware that, "on Friday I had a tooth extracted on the NHS, which brought me relief and the dentist satisfaction". The addi-

tional money cannot arrive too soon, I thought.

But Prime Minister's Question Time was bound to be the greatest test of the political Age of Aquarius. And, indeed, Mr Blair asked his opponent a nice, soft-voiced question about school security, which Mr Major answered in pleasant, modulated tones. You could practically smell the incense. Liz Lynne, more Democrat than liberal, invited the PM to disapprove of violent movies, which he did. Teresa Gorman pointed out that the extra costs of the single currency for Marks & Sparks would mean "knickers going up". The trouble is that

up is exactly where the straight-laced Major, Blair and Lynne think knickers ought to be.

The desirability of Natural Labour's approach came home to me fully later on, during the Frank Dobson Show. If ever there was a politician for whom the terms "unnecessarily adversarial" and "cheap political point scoring" were invented, it is Labour's environment spokesman, Furry and round, an eager, toothy smile on his face, Mr Dobson is like a cartoon beaver on speed — when he gets going you can hear his tail thrumming on the seat. And his overblown vocabulary is almost entirely taken from the boys'

comics of 40 years ago; villains (the party opposite) are fixers, fiddlers, twisters, "up to their necks" in this or that "squalid" or "scandalous" affair.

As a result it is tempting to discount what he says. Which is what I was doing during Labour's debate on Westminster council. Until, two-thirds of the way through Beaver's evidence, I realised that in this case all his epithets were entirely justified. But so devalued is the currency of outrage and condemnation (will there be no patients waiting for dialysis under Labour, Mr McLeish?) that we sometimes do not know truly dreadful behaviour when we see it.

IN BRIEF

Police arrest 45 in stolen goods sting

Police made 45 arrests and recovered more than £100,000 worth of property yesterday at the culmination of an exercise in which they opened a fake second-hand shop and bought stolen goods from burglars.

Ian Blair, assistant chief constable of Thames Valley Police, said: "It was a tremendous effort, and very brave, dealing with people who could be pretty nasty if they found out who you were," he said.

"This was an innovative approach by police to strike fear among burglars. They don't know what will happen next."

200 pit jobs lost

A former British Coal pit is to close with the loss of 200 jobs. Administrators said there had been no realistic bid for Hem Heath colliery in Staffordshire, one of five owned by Coal Investments which has been run by administrators called in earlier this year. Negotiations to sell the other Coal Investment mines are still in progress.

Paint bomb penalty

Three students and a teacher who bombarded the Conservative Party chairman Dr Brian Mawhinney with paint and flour outside the Commons were given community service orders by Bow Street magistrates. Karen Doyle, 19, Naveed Malik, 18, Amanda Egbe, 20, and Anthony Gard, 34, must also pay £1,000 for damaged clothes.

IRA man in jail move

An IRA terrorist with terminal cancer has been transferred from Northern Ireland to a jail in the Republic. Paddy Kelly, 43, was moved from Maghaberry prison near Lisburn to Portlaoise jail south of Dublin. Politicians on both sides of the border feared for the peace process if Kelly died in a UK jail. He is serving 25 years for attempted murder and conspiring to cause an explosion.

Seal free again

A rare hooded seal swam back into the Atlantic, six months after she was found starving on a Cornish beach 2,000 miles from her Arctic home. The seal, called Robyn, was nursed back to health at the National Seal Sanctuary in Gweek, Cornwall, then spent a week at the Hillswick Wildlife Sanctuary in Shetland before being released back to the wild.

Nuclear leak fines

The UK Atomic Energy Authority was ordered to pay more than £15,000 in fines and costs after radioactive waste leaked from an underground pipeline. The waste contaminated groundwater with radioactive tritium near the Winfrith nuclear site in Dorset. The pipeline is part of a reactor shut down in 1990 and currently being decommissioned.

Lots of cricket

A collection of books once owned by the cricketer W.G. Grace is to be sold by auction in the summer. Under the hammer in Exeter on 11 July will be more than 150 volumes, many signed by him and some written by him, action pictures and a rare set of 1864-1915 Wisdens.

BSE crisis: EU still reluctant to lift embargo as family sues Government over CJD death

Bonn and Paris could keep beef ban in place

SARAH HELM and DONALD MACINTYRE

Britain's chances today of securing an easing of the beef ban for gelatin, tallow and semen was still in doubt last night as France remained hesitant, and Germany strongly signalled it may call for further delay.

The French President, Jacques Chirac, who began a state visit to Britain yesterday, appeared ready to be supportive of Britain but gave no sign to John Major that France would vote in favour of the immediate relaxation.

Germany, meanwhile, indicated that it would seek to keep the pressure on Britain by calling for a decision to be stalled. German sources said last night that although Bonn is not in principle against easing the ban, it believes more time will be needed to study the public health implications.

A rejection of the call to ease the ban — or a decision to stall a ruling — would inflame anti-European sentiment in Britain and set the Government on a damaging new collision course with the EU.

The Government faces an immediate backlash if today's meeting does not go Britain's way — with some Euro-sceptic MPs threatening to vote with Labour in tomorrow night's Commons debate on agricultural policy. But right-wing ministers will see it reinforcing their case for an urgent change in the law to prevent British courts enforcing European trade law in ways which will severely limit the scope for UK retaliatory measures against the beef ban.

The Foreign Office has gone out of its way to say that Britain will not adopt "illegal" retaliatory measures. Attempts to block meat imports from the EU would almost certainly be

successfully challenged in the British courts as being in conflict with European law. If the sceptics' proposal was accepted such law could not be enforced until it had been tested in the European Court of Justice.

The Government sees today's decision, to be taken at a meeting of the European Standing Veterinary Committee, as a crucial test of its ability to move towards a total lifting of the ban. The committee's veterinary scientists, representing each member state, will consider a proposal for modifying the ban from the European Commission, which has already accepted that there is no scientific case for maintaining the ban on the three beef derivatives.

However, whether the commission can persuade other member states to back its recommendation will depend on the strength of controls and conditions set out in the commission proposal. The proposal has by last night gone through several drafts as attempts were made to tighten the conditions in order to gain the best chance of securing a vote in favour.

Today's final draft is certain to recommend that Britain must set in place strict new production safeguards for the beef derivatives and should agree to rigorous monitoring procedures which could take months to finalise. Gelatin, for example, will in future have to be heated at 140C for four seconds.

In an extraordinary piece of horse-trading France yesterday suggested that it might agree to the Commission proposal if it included a call to lift the ban on very young British calves. The French 'veal industry' is complaining about the effect of the blockade on their industry. However, the suggestion, viewed within the Commission as "cynical" was withdrawn.



Illa Andrews launching her family's legal action against the Government yesterday over the death of her mother from Creutzfeldt-Jakob Disease.

Miss Andrews, 23, a catering student, blames the Government for the death of her mother, Fannie Van Es, 44, in 1994 from the human equivalent of "mad cow's disease". She is seeking legal aid in the first case

of relatives suing over BSE. Other grieving relatives joined Miss Andrews and her brothers Tjark, 21, and Tjebbe, 14, in their home town of Banbury, Oxfordshire, yesterday for a CJD Families Support Group meeting.

Their mother, who was born in the Netherlands, died after a three-month illness.

Miss Andrews said: "The

meeting is to get all the families together and see if we can achieve something. If anybody has a heart to listen, then we might have some success, if everybody is ignorant, we don't."

"My mum was a fit and healthy normal woman but she began to get depressed which was totally out of character for her, and that's when we realised something was wrong."

Her solicitor, David Harris, said the possibility of a link between CJD and BSE-infected beef had to be investigated. "If Miss Andrews' mother was eating beef after the Government had said it's safe and there is information that comes to light on discovery that says that it was not, then I think she would have a very valid case."

Photograph: John Lawrence

Mawhinney rules out referendum

DONALD MACINTYRE AND DIANE COYLE

Brian Mawhinney, Tory party chairman, yesterday moved to pre-empt any electoral threat from Sir James Goldsmith by seeking to reassure Euro-sceptic voters that the Conservatives were now "the referendum party."

He went out of his way to promote Europe as a potential vote-winner for the Tories on the grounds that "a vote for any other party — whether it is serious about power or merely seeking protest votes — will put that European future at risk."

As Kenneth Clarke, the Chan-

cellor, made a strongly pro-European speech to the German-British Chamber of Commerce Dr Mawhinney was insisting that "only a vote for the conservative party will guarantee the defence of the nation state."

Dr Mawhinney was unequivocal in warning — in the wake of talks between John Redwood, the former Welsh Secretary and Sir James — that there was no question of a referendum on the wider issue of the UK's EU membership, adding: "I should make clear that there is no question of negotiating this position with any other party."

Mr Clarke went out of his way to stress that the EU was

"to our national interests, both commercial and political." Mr Clarke's passionate defence of the political as well as merely economic importance of membership will be seen as a rebuke to those Euro-sceptics including Mr Redwood who have in effect argued that Britain signed up only for the single market.

Mr Clarke declared: "I simply do not believe that you can separate economics from politics. The economic and trading interests of a nation are at the heart of politics; political decisions affect a nation's economic and trading environment."

The Chancellor added: "We

must have the self confidence and the determination to play our proper part in shaping Europe. In 10 or 20 years' time I want to see the UK at the heart of an outward-looking, free-trading, flexible and democratic union of nation states."

The Governor of the Bank of England threw his weight behind the Chancellor, saying that British business and a large majority of the British people were "enthusiastically committed" to the Single Market. He cautioned Britain's European partners against pushing too hard or too fast towards the single currency.

Error could free IRA prisoners

FROM PAGE 1

The Laboratory was run initially by the Ministry of Defence and more recently by the Defence Evaluation and Research Agency.

In fact, it was Professor Brian Caddy of Strathclyde University — called in to investigate the 500 cases which have passed through the laboratory since 1989 — who concluded that laboratory contamination of the Maguire's hand swabs was the only explanation for the unique pattern of positive results.

Last night Alanair Logan, solicitor for the Maguire family, said: "This simply demonstrates

that this laboratory has never been able to control contamination — the Home Secretary should widen the inquiry to cover the period from 1973."

Mr Howard accepted in his Commons written answer that the discovery could lead to a number of terrorist cases being referred to the Court of Appeal.

He said: "There is a small theoretical possibility that any casework sample showing RDX traces may have been affected by the centrifuge contamination."

"On present information, there may be around a dozen such cases which resulted in convictions."

Those cases — and all the oth-

ers — will now be examined by Professor Caddy, who will decide whether the centrifuge contaminated the evidence, the extent to which forensic evidence helped secure a conviction, and the procedures used in analysis work at the laboratory.

But Michael Mansfield, a leading QC, said it was a "horrific" situation. "There have been substantial recommendations for tightening quality control, none of which have been put into effect," he added.

"Everyone has known about their risks, and it should have been countered and revealed at an earlier stage."

CHARLES ARTHUR Science Correspondent

The Forensic Explosives Laboratory (FEL) in Fort Halstead in Sevenoaks, Kent, has one of the most sensitive detection systems in the world. It can detect explosive residues as tiny as one thousand millionth of a gram — 100,000 times lighter than a grain of sand. In prosecuting an alleged terrorist, the presence of even the tiniest amount of RDX (a component of Semtex) or PETN (used in detonators) would be presented as proof positive of the accused's involvement with explosives.

But on 14 March, an accident

in the laboratory revealed that one of the key pieces of equipment — a centrifuge — was contaminated with 20 millionths of a gram of RDX. Furthermore, it seems plausible that this could in turn have contaminated some of the case samples.

The samples to be tested arrive in the form of cotton swabs from a crime scene. The staff take every precaution against contamination. In the laboratory they may not wear watches or jewellery, and must wear disposable overalls, overalls and gloves. Samples are handled with glassware that is used only once.

The preparation of samples for

graph (which identifies chemicals) would often use the centrifuge for purification. First, the swabs are soaked in a solvent, chosen to dissolve RDX or PETN. This mixture of liquid and solid is put in a test-tube and slotted into the centrifuge. Solids are separated from the liquid which is drawn off and refined for testing.

The contamination found yesterday was in one of eight rubber bungs which pad the test-tubes. The bungs do not come into direct contact with samples. But after the accident, contamination was also found on the body of the centrifuge itself. This suggests some transfer of

RDX did occur from the bung.

The report released yesterday says that the bung had enough RDX to contaminate many samples. The key question though is whether any tests were falsely contaminated. The forensic tests always included a "control" sample which was known not to contain any explosives. But Dr Marshall, the FEL's head, admits that if a control sample tested positive, that test would be abandoned. This means that only the tests which were obviously wrong were rejected. But it is not yet known how many control samples tested negative, while the case sample wrongly tested positive.

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Heads step up protest over exam leagues

FRAN ABRAMS
Education Correspondent

School governors could face legal action as a result of a campaign by headteachers against league tables for 11 year-olds, it emerged last night.

The National Association of Head Teachers has called on governing bodies not to pass on this year's test results for use in league tables. Its general secretary, David Hart, said ministers had broken a promise not to publish league tables until after the tests had been carried out for a third time next year. He described the decision to issue this year's marks next spring as political and claimed that the tests had not had enough time to settle in.

Primary schools in England would be castigated for poor performance unnecessarily, he said, while ministers in Wales had decided to stick to their original decision not to publish this year. He added that there had been flaws in last year's tests which still needed correcting and the tests still needed more time before they could be seen as reliable.

Mr Hart wants schools to carry out the tests and to pass on their results to parents but not to the Government. Headteachers would jeopardise their jobs if they refused to carry out their duties but governors were in a stronger position, he said. Although they would be breaking the law, he hoped neither ministers nor parents would take them to court.

The association, which represents headteachers in the majority of the 14,000 schools affected by tests for 11 year-olds, has advised its members to ask

their governing bodies to boycott the league tables.

Gillian Shephard, the Secretary of State for Education, had brought forward the publication so that it would take place before the next general election, Mr Hart said. "She had better take care in future before she rides rough-shod over teachers and heads in such a cavalier fashion," he added.

He was confident that governing bodies would take action, but the National Governors' Council was more reticent, saying only that some would do so. Pat Petch, chair of the council, said: "Others will weigh this very carefully in the balance and decide that they have to comply with the law."

Mrs Shephard said the NAHT's advice to members not to break the law was welcome, despite its call to governors. "Parents and the wider public have a right to receive vitally important information about the performance of schools," she said.

About 600,000 11 year-olds are taking the tests in English, maths and science this week. Their papers will be marked externally and returned to schools for checking at the end of June. Governors must then pass them on to the Government by the end of July.

Nigel de Gruchy, general secretary of the National Association of Schoolmasters Union of Women Teachers, said of the heads' action: "It is outrageous double standards for heads to expect governing bodies to do their dirty work for them. If they want to ballot members to fight against league tables we will be right behind them."

Bullet 'time bomb' taken from orphan's head



Tenneh Cole, whose parents died in civil war

GLENDA COOPER

A five-year-old African orphan, who had a bullet behind her right eye was living with a "time bomb ticking away" inside her head, the surgeon who successfully removed it said yesterday.

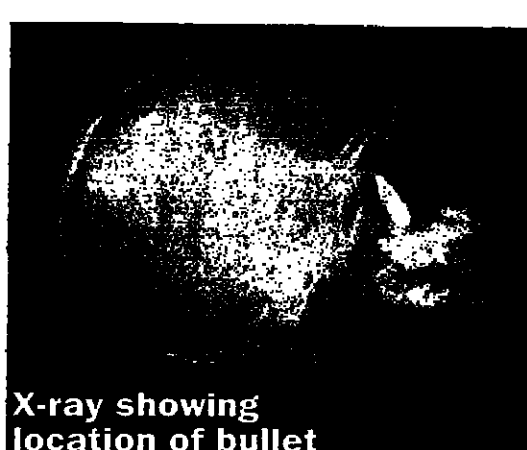
After a weekend of tests, doctors at the Norfolk and Norwich hospital operated on Tenneh Cole from Sierra Leone because there was a significant risk of her dying through a brain infection.

Yesterday a team of three surgeons performed a two-and-a-half-hour operation on Tenneh to remove the 2cm bullet by cutting out a wedge of bone on her right cheek.

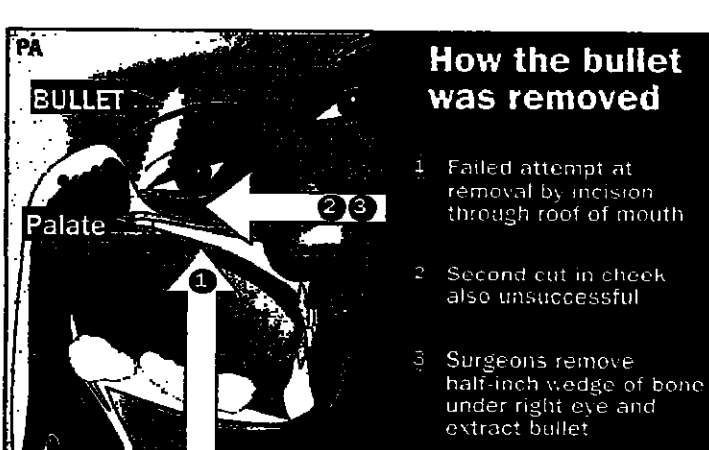
The bullet, from an AK47, was lodged in the child's sinus and pointing upwards and doctors are still not sure how it had entered her head. They assume that it was a spent bullet which had hit the top of the head then turned around as it made its way through her brain.

Geoffrey Cheney, who led the team said he had first attempted to remove the bullet by making an incision through the roof of Tenneh's mouth. When that failed he had made a second cut in the cheek, but that was also unsuccessful and finally he had had to remove a half-inch wedge of bone from just underneath her right eye.

"We have actually, I hope, significantly reduced the risk of infection," said Mr Cheney. "There was already infection behind her eye and that infection could have led to [a lethal] infection of the brain."



X-ray showing location of bullet



How the bullet was removed

- 1 Failed attempt at removal by incision through roof of mouth
- 2 Second cut in cheek also unsuccessful
- 3 Surgeons remove half-inch wedge of bone under right eye and extract bullet



Narrow escape: The AK47 bullet taken from Tenneh Cole's head; an X-ray shows its position Photograph: Bryn Colton

"It was a bit like a time bomb," he said. "It could have gone off at any time."

Tenneh was hit by a stray bullet 16 months ago during the civil war in Sierra Leone which claimed the lives of her parents. She was found cowering in a derelict farmhouse by a couple also fleeing from the rebels. After she was wounded in the crossfire Malomoh Cole and his pregnant wife carried her 250

miles to the country's capital Freetown, dodging rebel patrols and begging for food.

There, a British couple, Colonel Mark Cook and his wife Caroline, who run a children's home in Sierra Leone, arranged for her to be brought to England and doctors at the Norfolk and Norwich agreed to treat her without charge.

Mr Cheney said Tenneh had been very lucky not to have been

operation but when he had last seen her she was coming round and "gently complaining". She is back on a children's ward.

"I would not mind betting that by tomorrow she is up and about," added Mr Cheney. "I am very impressed at the way she has settled down on the ward over here. She has made great friends with the nurses... on the face of it she seems a normal, happy child."

Mr Cheney said Tenneh's face was badly swollen after the

British win race to refit QE2

MICHAEL HARRISON
Deputy Business Editor

The new Norwegian owners of the QE2 are to have the Cunard flagship refitted in a British yard for the first time in a decade following the fiasco which befell the vessel after its overhaul two years ago in Germany.

Kvaerner, which acquired Cunard earlier this year as part of its £900m takeover of the parent company Trafalgar House, yesterday announced that the £12m refit is to be carried out at the A&P Group's yard in Southampton.

In winning the contract, the British yard beat off a number of Continental rivals, including Blohm and Voss, the Bremen shipyard responsible for the ill-fated refit of 1994. On the QE2's first voyage after the refit, passengers complained of exploding toilets, unfinished cabins and blocked corridors. The fiasco cost the then Cunard chief executive John Olsen his job and Trafalgar House £8m in compensation.

Some parts of the ship that were refitted in 1994 are being overhauled again, Cunard said. One "amendment" will be to replace wooden flooring in the Lido, an informal dining area, with carpeting, after passengers complained about the noise.

The number of passenger berths is being reduced from 1,760 to 1,500, and the main Mauretani restaurant is being upgraded with new furnishings and new cuisine.

The refit in November will take 19 days and provide work for more than 1,000 fitters. The QE2 is scheduled to set sail again the day after the refit is completed on 11 December from Plymouth to Le Havre, and then to New York.

A spokesman said Cunard was confident it would not have a repeat of the nightmare in 1994, when hundreds of contractors were still on board carrying out remedial work when the QE2 set sail after her German refit.

Labour threatens to kill divorce Bill

COLIN BROWN and
PATRICIA WYNN DAVIES

Labour is threatening to kill the Family Law Bill, on the grounds that it is a "mess" after a series of Government retreats in the face of stiff opposition by Tory MPs.

Senior Labour MPs last night confirmed they were seriously considering voting against the Bill when it comes up for the third reading in the Commons, raising a strong risk for the Government that it could lose the legislation.

A clear hint that Labour will seek to kill the Bill is given by Paul Boateng, Labour's legal affairs spokesman, in the current edition of *House* magazine in the Commons.

Although Labour supported it on the second reading, Mr Boateng has made it clear he believes it is a "dog's breakfast". He says the Bill was exhibiting "all the hallmarks of another disaster in the making". He said: "The House has shown little enthusiasm for this Bill. The country still less shares its technocratic and Treasury-driven

impulse. How different it would be if any necessary reform of divorce were indeed part of that 'larger project of supporting and strengthening the institution of marriage and family life' that Cardinal Hume and others have called for. Only a General Election can allow this to happen."

Some Cabinet ministers privately believe the Government could be relieved if the Bill was defeated. It has faced strong resistance from Tory MPs led by John Patten, the former Secretary of State for Education, and has been widely criticised outside Westminster. But there could also be a backlash against the Labour Party if it were to kill a Bill which offers protections for battered women.

Tory rebels who oppose the Bill would be ready to vote with Labour to kill it. One of the leading Tory back-bench critics of the Bill said: "If you wanted to embarrass the Government, there would be no better way to do it than to defeat the Government on this Bill." The Lord Chancellor, Lord Mackay, has staked his reputation on getting the reforms to

the divorce laws through Parliament. Labour voted for it on the second reading, but there were free votes on two key amendments - for keeping the principle of fault in divorce, which was defeated, and an 18-month cooling off period, which was agreed.

Yesterday Lord Mackay bowed to a Labour call for an advisory board to advise on implementation of the Bill.

Lord Mackay said: "My experience of the Marriage Working Party, the Children Act Advisory Committee and the Ancillary Relief [financial provision] Advisory Group has led me to conclude that it is a good idea in principle, and it will be very useful in practice, to set up a new, widely-representative board to advise me on research into supporting marriage and preventing marriage breakdown, and the implementation of the Family Law Bill."

The board's functions will include advising on the design of pilot schemes, monitoring the schemes' progress and overseeing the operation of the Bill once it is enacted.

Cat stirs fears of crime ties to visitor

The "extraordinary" tale of a very wealthy young businesswoman from Latvia, her Persian cat and the suspicious immigration officer, unfolded in London's High Court yesterday.

Via Kokorevica was "unreasonably" refused entry to the UK after doubts were raised that she was a genuine business visitor, because she was travelling with her pet, named Dana, a judge heard.

Tom Croxford, appearing for the 22-year-old company director, asked Mr Justice Latham to quash an immigration officer's refusal to allow her to enter the country last September at Gatwick Airport. He said her obvious wealth and East European background seemed to make officials think she was linked to organised crime, and was rather like Blofeld, the cat-loving villain of James Bond films.

But the judge, describing the case as extraordinary, said the official had not come to an unlawful decision, as Ms Kokorevica had failed to satisfy the authorities she was genuinely in the country on business.

"Business people don't usually come with cats. It is as simple as that," he said and rejected the application.

Mr Croxford described Ms Kokorevica as "a rich, young Eastern European travelling with a cat - nothing more". She was a company director of Viko Stores (UK) Ltd, which rented and leased luxury cars, and her cat was her constant travelling companion. She earned a salary of up to £140,000 a year.

She told immigration authorities she would be staying at Claridges Hotel in London, because the £1.2m property she had just bought to stay in during business trips to the UK, was unfinished.

When her cat, who had been travelling as hand luggage, was taken away because of the UK's quarantine laws, she became distressed.

Officials worried about her ostentatious wealth contacted the organised crime squad, after a luggage search revealed she had enormous receipts for gold and jewellery.

A solicitor Bernard Andonian, representing Ms Kokorevica, described Dana as "one of the world's best travelled cats" who had been to Russia, Switzerland and other countries. But not, it seemed, to Britain.

Baker is not amused by strip of cartoon history

MARIANNE MACDONALD
Arts Correspondent

The art of satire has moved on from the cruel era of *Spitting Image*, the former Home Secretary Kenneth Baker - a prime target for the puppet show - claimed yesterday.

Mr Baker, the Tory MP for Mole Valley, is a cartoon enthusiast, but his devotion to the art did not extend to the ITV programme which so memorably portrayed him as a leathern slug.

He spoke out at the launch of a BBC cartoon documentary, *We Are Not Amused*, which offers an irreverent cartoon history of the Royal Family from the 16th century to the present day.

"*Spitting Image* is a transitory phase in satire and it has come to an end. It lacked subtlety, wit and all those things that maintained satire over the ages," Mr Baker said.

"It did not have very much impact - it is an art form that destroyed itself by its own cruelty. It kicked people and figuratively cut off their arms and legs."

He denied claims, however, that cartoons could destroy the confidence of the victims they caricatured.

"It can create an impression of a person or a character. If that person is weak then it can stick. But if that person is strong he or she can survive being caricatured."

His comments were taken with a pinch of salt by Giles Pilbrow, who produced the *Spitting Image* series which finally ended in February.

"The image of slimy Kenneth Baker as a slug is one which will haunt him long after the demise of *Spitting Image*," Mr Pilbrow said.

Mr Baker, 62, provided the narration and research for *We Are Not Amused*, which looks at

the Royal Family through the eyes of 18th century artists such as Gillray and Cruikshank, through to Ralph Steadman and Charles Griffin in the present.

The first part, to be shown on Friday, maps the decline from royalist propaganda to the gleeful cruelty and licentiousness of Gillray's work.

The documentary reveals that the Prince and Princess of Wales are not the first Royal couple to suffer at the hands of a caricaturist. George IV was a victim after he agreed to give up his Catholic mistress for a more suitable match. Cartoonists of the day freely satirised the situation.

Today the love triangle is paralleled in the relationships between the Prince and Princess and Camilla Parker Bowles - and the programme explores the way that contemporary cartoonists have made similar comedic capital from it.

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news

Gulf war mine victim wins £1m

ROS WYNNE-JONES

A former soldier who was blinded and lost a leg clearing Gulf war mines without any safety equipment yesterday won a compensation case estimated to be worth more than £1m.

The case opens the way for several more against Royal Ordnance, a subsidiary of British Aerospace, which had won a £60m contract from Kuwait to clear minefields laid by retreating Iraqis. Of the 110 people employed in clearing the mines, eight were killed and at least 13 seriously injured.

Paul Jefferson, 39, was blown up in Kuwait in 1991. Royal Ordnance had told Mr Jefferson, a former Royal Engineers captain, he "could get on the next plane home" if he refused to work without safety equipment, the High Court heard.

His compensation claim was halted yesterday after Royal Ordnance agreed to pay 75 per cent of his damages, with costs estimated at £500,000. Damages were estimated to be "substantially above £1m".

"As a soldier I expected to be expendable but I never expect-

ed to be expendable for profit," he said yesterday. Mr Jefferson, who was also lost a finger in the accident, said he would use some of the money for treatment. "But this is not a sob story. It is a moral victory against Royal Ordnance." His barrister, Andrew Hogarth, had told the court: "Had he been wearing protective goggles, he would have kept his sight."

No equipment or protective clothing was provided for the Royal Ordnance employees in the Gulf, Mr Hogarth said. Mr Jefferson and three other team members had been forced to try to dispose of Iraqi mines by attempting to set fire to them using makeshift apparatus including petrol in a Coca-Cola can. The unit was also expected to "scavenge" for equipment left by retreating enemy forces.

On one such operation, Mr Jefferson entered a mines dump, where he trod on a mine. The unit's first-aid equipment comprised "a few plasters and some aspirin" and it was three days before he was flown to Britain for treatment.

William Norris, for the defence, had argued that Mr Jef-

erson was a "cavalier operator" who took unnecessary risks. On Monday, the defence produced a picture of Mr Jefferson on a "minefield" in Afghanistan wearing no protective clothing. But this turned out to be a publicity photograph for a humanitarian organisation he had worked for, teaching local people to recognise and deal with mines. The photograph was posed "on a perfectly safe piece of road," he said.

Mr Jefferson said there had never been an accident on any of the previous mine-clearance missions he had been on, including work in Angola, Saudi Arabia, Iran and Afghanistan. St Dunstons, a charitable organisation which works with blind people injured "in the course of their duty for the nation", contributed to Mr Jefferson's legal costs.

Before the Kuwait accident, Mr Jefferson had worked for three years as a freelance mine-disposal expert, earning about £50,000 a year. "It wasn't for the danger," he said yesterday. "It was something I was good at and I found it a satisfying occupation in problem-solving."



Paul Jefferson: Blinded and lost a leg clearing mines

Photograph: Dillon Bryden

More power for schools to block disruptive pupils

FRAN ABRAMS
Education Correspondent

Ministers are planning to make it more difficult for families of disruptive pupils to force schools to take them back, after teachers twice threatened action over disruptive pupils.

As the family of one boy threatened legal action to clear his name, education officials said they were considering legislation to make it more difficult for an appeals panel to overturn a school's decision to expel a pupil.

Richard Wilding, a 13-year-old from Nottingham who was involved in 30 disruptive incidents in two terms, and Graham Cram, a 12-year-old from Tyneside who was alleged to have attacked a teacher, were reinstated by appeals panels after being excluded from school.

In both cases staff threatened to strike if the children returned and in both cases a compromise was eventually reached under which they would be taught in isolation.

Last night a spokesman for Gillian Shephard, the Secretary of State for Education, said she understood the schools' difficulties even though such cases were not common. "The Government is looking at ways in which the system might be refined to minimise the instances where reinstatement decisions are seriously questionable," she said.

The move, which could be announced within the next few weeks, will form part of a wide-ranging initiative on school discipline disclosed last month.

Mrs Shephard also plans to make it more difficult for par-

ents to refuse permission for their children to be kept in detention, and to allow schools to suspend pupils for longer periods before being forced to permanently exclude them.

Next week David Hart, general secretary of the National Association of Head Teachers, will meet officials at the department to press for more radical action. The association wants appeals panels to have legally qualified chairmen and independent members, to have to justify their decisions and to have to take into account the needs of the whole school rather than just the excluded pupil. The National Association of Schoolmasters' Union of Women Teachers, which led the action at Glaisdale and Hebburn schools, wants them abolished but the NAHT has not gone that far.

Ministers have been forced into more immediate action on exclusions by recent events. No sooner had Richard Wilding been returned to Glaisdale School in Nottingham than staff at Hebburn Comprehensive on Tyneside threatened to strike over Graham Cram.

The second case was temporarily resolved on Monday but yesterday Graham's father, Peter, said he planned to go to court to clear his son's name. The boy was accused of hitting and kicking a male teacher who tried to prevent him from being trampled by other children while leaving assembly.

Mr Cram said his son's actions were simply a defensive response and that he had been shaken and rugby tackled. "We are getting Graham's name cleared," he added.

£50m needed for children's safety

FRAN ABRAMS

Ministers must pledge up to £50m to make schools secure in the wake of the Dunblane tragedy and the killing of head teacher Philip Lawrence, head teachers said last night.

As a report on school security, commissioned after the stabbing of Mr Lawrence outside his north-London school last December, was published yesterday there was growing controversy over the government's willingness to pay for the measures it suggests.

Gillian Shephard, the Secretary of State for Education, accepted all the recommendations of the report and promised that money would be made available in due course, but the heads said emergency funds should be found immediately.

The working group reviewed its report after the shooting of 16 pupils at Dunblane primary school in March.

The report calls for police powers to search for weapons on school premises, a move already before Parliament as an addition to a Private Member's Bill, and for carrying a weapon in a school to become a criminal offence. It also suggests a change in the law which would

allow intruders in schools to be arrested. New schools, it says, should be built with extra attention to security and Home Office funding for closed-circuit television should be considered sympathetically.

However, any new money is likely to come under the Grants for Education Support and Training programme, Gest, in which local authorities must supply 40 per cent of the funds. It would not be available until the 1997-98 financial year.

David Hart, general secretary of the National Association of Head Teachers, said last night that the cost of implementing the report could come to between £500 and £2,000 per school. Between £25m and £50m should be made available immediately, he said, adding: "I am very disappointed that the Secretary of State has back-pedalled and is hiding behind the Treasury by repeating the age-old rubric that it depends on competing priorities."

Mrs Shephard said the Government would provide a "substantial sum" of "new" money, though it would not be available immediately. "I believe we shall be able to meet what the working group on school security wants to see," she said.

DAILY POEM

In Barbara Hepworth's Garden, St Ives

By Hugh Popham

The sea, always the sea,
its cutting edge with the land
the sickle-blade of the bay
where adze on frame and keelson
rang up from the old boat-builder's
with the herring gulls' harsh clamour.

Up in the secret garden
behind St Ives' tower,
the ring of a different hammer,
tapping on gouge and chisel -
the sculptor's tensioned power.

Beyond and far and further
deeper than whale's sounding
the tin mine's reeking adit
imagination plunges.

Higher than hunting buzzard
high over quail and dolmen
imagination ranges
to soar and pause uncertain
in that empyrean -
and find through the cloud curtain
the airman's double sunrise.

Tap tap tap of mallets
deep in the privy garden
debting from block to billet
the transformed inward image;
water and wood and stone
speaking to flesh and bone,
eye true, hand firm, as the shipwright's,
adapt to explore and chart
the complexities of art.

Hugh Popham was born in Devon in 1920. His first collection of poems was published in 1944 and won the Bodley Head poetry prize. His verse has appeared in numerous anthologies, including Philip Larkin's *Oxford Book of 20th Century Verse*. A naval biography, *A Damned Cunning Fellow*, was shortlisted for the Marsh Biography Award.

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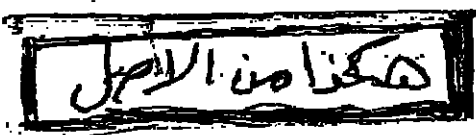
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Aspirin 'cure' for bowel cancer

GLENDIA COOPER

Aspirin could have the potential to treat one of the most common cancers in westernised countries according to a leading cancer charity.

Laboratory tests carried out by the Cancer Research Campaign found that the household drug slowed down the growth of bowel cancer cells and caused some to self-destruct. Pre-cancer cells and cancerous cells were taken from the large bowel and cultivated in the laboratory. The results were published in the American-based journal *Cancer Research* yesterday. At present no human trials have been arranged.

"We already know that regular aspirin intake may reduce the risk of large bowel cancer by up to 50 per cent," said Professor Chris Parakeva, who heads the CRC Colorectal Tumour Biology Research Group at the University of Bristol. "But the study now shows it might be possible to develop aspirin or aspirin-like compounds into anti-cancer drugs."

Cancer of the large bowel accounts for 19,000 deaths in the UK every year. It mainly affects people over 40 and the main form of treatment is presently surgery and occasionally chemotherapy.

The director general of the CRC, Professor Gordon McVie, said: "This is a significant step forward towards finding an eventual cure for cancer of the large bowel. It is also particularly important because there had been no significant fall in the death rate for patients with cancer of the large bowel for over 40 years."

Aspirin has already been proved to be efficacious for heart attack and stroke victims, improving survival rates by as much as a quarter. But doctors warn that healthy people should not take aspirin simply as a precautionary measure as there is the possibility of rare side effects such as internal bleeding.



Window on the past: Margaret Richardson, chairman of the Lutyens Trust, hands over 'Goddards', near Dorking, Surrey, to Peter Pearce of the Landmark Trust. The trust, set up to rescue and restore buildings of historical and architectural importance, will eventually let the Victorian house as a holiday home. Photograph: Nicholas Turpin

Thornton said: 'I have killed your father'

WILL BENNETT

The son of Malcolm Thornton yesterday described how he heard his father scream as he was stabbed to death by his wife Sara while he lay in a drunken stupor.

Martin Thornton said that he did not hear any argument before his stepmother stabbed his father with a kitchen knife in the living room of their home in Atherstone, Warwickshire.

He told Oxford Crown Court: "I heard my father scream so I came downstairs and I got halfway down and Sara was standing at the bottom and she looked at me and just said, 'Martin, I have killed your father'."

Mr Thornton was giving evidence on the second day of the retrial of his stepmother which was ordered by the Court of Appeal. Mrs Thornton, 41, denies murdering her alcoholic husband in 1989. She says that she stabbed him accidentally after a row and that he regularly beat her up.

At the time of the killing

Martin Thornton, now 27, was living with his father and stepmother while he helped the former run a shop in Atherstone.

Mr Thornton said yesterday that two days before the stabbing his stepmother threatened his father, who was drunk, with a knife during a row and warned him not to touch her daughter Luise. He told the court: "She said, 'If you touch my daughter I am going to kill you'. I then disarmed Sara and put the knife into the kitchen sink."

"I would say that she was very angry and that it was threatening but I don't think there would have been any further action taken at the time."

Describing the night his father was stabbed Mr Thornton said: "He was drunk. There was an argument between my father and Sara ... my father did say that he wanted her out of the house and he did throw her clothes out of the bedroom window into the front garden."

That evening, Luise, Mrs Thornton's daughter from a previous marriage, was sent to stay with friends and Martin

Thornton went out for a drink with his stepmother. They left separately to avoid giving the impression that he was taking sides and he returned home before she did.

He said: "My father was lying on the couch fast asleep. I asked him if he wanted a cup of tea and there was no response so I left him asleep on the couch and went to bed."

"Sometime after that I heard the front door open. I automatically assumed that this was Sara returning home ... She came up and opened my bedroom door and looked in. I did not acknowledge that she was there." He said that he then heard somebody rummaging around in the cutlery drawer in the kitchen and then everything was quiet for a couple of minutes before he heard his father scream.

He added that when he went downstairs "Sara said as I went into the lounge not to pull the knife out of him but it was already out and was lying between his legs on the floor."

The case continues.

Officers 'harassed PC'

A woman police officer broke down yesterday as she told an industrial tribunal how a colleague suggested she should have sex with a glue-sniffer in the back of a police van.

Constable Karen Wade, 26, claimed she was sexually harassed by colleagues in the West Yorkshire Police Force. PC Wade, who is stationed at Holbeck, Leeds, described a string of incidents, including sexual comments, name-calling, and humiliation by colleagues.

The officer, who has been on sick leave suffering from stress since making an allegation of

sexual harassment against PC Dean Mountain, 30, and Sergeants Ian Devey, 32, and Paul Fountain, 30, of Leeds police, in July last year, told the hearing how, while on patrol in a police van in July 1995, she and colleagues, including Sgt Fountain and PC Mountain, picked up a member of the public "high on glue". She said: "PC Mountain started making comments to the civilian, saying 'Have you ever done it with a woman?' Then he said 'What about her?' ... referring to me. He kept on, saying 'Wouldn't you like to give her one?'"

PC Wade, who joined West Yorkshire Police in April 1992, told the Leeds tribunal of occasions when she felt embarrassed and humiliated by the officers. She said comments started soon after she joined Holbeck station in August, 1994, when officers complained she was only selected for a CID placement "because I was a woman".

Matters came to a head at the end of July last year when PC Wade was diagnosed as suffering from hyperventilation and stress-related symptoms, and was signed off sick.

The case continues.



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news

Britain's dirty beaches still fail test

Seaside standards				
How Europe's beaches compare for safe bathing ...				
	Number of designated beaches	% reaching mandatory standard	% reaching guideline standard	% of beaches inadequately sampled
Belgium	39	97.4	12.8	0
Denmark	1188	95.6	83.5	0.2
Germany	446	85	67.3	2.7
Greece	1526	98	95.6	0.5
Spain	1519	96.7	84.8	0.7
France	1874	88.4	64.7	5.7
Ireland	108	98.1	88.0	0
Italy	4592	91.5	85.5	2.9
Netherlands	46	95.2	41.3	30.4
Portugal	333	91.6	81.7	2.4
Britain	464	89	49.6	0
Finland	100	73	61	25
Sweden	252	44.8	33.3	54.4

NICHOLAS SCHOON
Environment Correspondent

Sewage pollution of Britain's beaches may be declining, but the United Kingdom compares poorly with the rest of Europe, figures released in Brussels yesterday reveal.

Despite having one of the continent's longest coastlines, the UK designates and monitors pollution on a much smaller number of beaches than Italy, Spain, Greece, Denmark and France.

But the dirty man of Europe in this domain is the newcomer to the European Union, Sweden, usually among the most progressive on environmental issues. They have the most polluted beaches and the worst monitoring record.

Publishing figures for compliance with the EU's bathing water directive yesterday, the environmental commissioner Ritt Bjerregaard was deeply

disappointed that 3,000 designated beaches in the union — one in 13 — still failed to meet the legal, mandatory standard 10 years after it should have come into force.

"I'm not prepared to let the matter rest," she said. "I intend to keep pressure up on the member states to ensure that the directive is fully applied."

In Britain, 89 per cent of our 464 designated beaches met the mandatory standard for sewage bacteria last summer — slightly below the average of 92.5 but a marked improvement on the 80 per cent pass rate in 1993.

Seven nations scored higher but the UK beat Germany and France. Ireland claimed the cleanest beaches of all.

On the more stringent, guideline standards for sewage bacteria Britain performed much worse. Just under half of UK beaches achieved them, compared with a community average of 80 per cent. Sweden,



Dirty business: Beaches such as Frinton-on-sea, Essex, are getting cleaner but still lag those in Italy and other EU states Photograph: Brian Harris

the Netherlands and Belgium came lower than Britain.

Italy designates and monitors 10 times as many beaches as Britain, which covers about the same number as Germany. But the commission's figures show that Britain's monitoring is sec-

ond to none with none of our 464 designated beaches failing to provide sufficient data.

The EU depends on the member states for the reliability of the data. "We have to believe them until we have proof to the contrary," said an official.

Several member states including Britain have been prosecuted in the European Court for failing to comply with the directive. The commission is insisting that Italy, Spain, Germany and France present plans to bring all their beaches

up to the mandatory standards. Britain had promised that almost all UK beaches would comply by this year. An expensive programme of improving coastal sewage works was accelerated, adding to water bills. Blackpool, which has always

failed, should come up to scratch this summer after completion of a £150m scheme. But a few other designated beaches around the coast will continue to routinely fail the directive's mandatory standard for several years to come.

Bonfire victim in link with drugs

MICHAEL STREETER

A man found dead on a forest bonfire may have been murdered because of his connections with the drugs underworld, detectives said yesterday.

Gwent detectives identified the body as that of Tyrone France, 31, and said he was known to have links with the drugs trade in Newport. His charred remains were found on a five-foot high bonfire in Wentwood forest at the weekend.

Police believe Mr France may have been killed over a drug deal or out of revenge. However, they have ruled out links with drugs-related deaths in other parts of the country. It is not yet known how he died.

Detective Superintendent Ian Johnston, heading the murder hunt, said: "We are treating this as a local matter and are looking at a number of theories. We believe there is a definite connection with the drugs scene and are urgently seeking to interview all his known associates."

Detectives said the dead man had also used the surname Holmes, and had convictions for dishonesty offences.

Mr France, who was over six-foot tall and had dark hair, was last seen alive on Friday night at a number of pubs — including the Riverside Tavern in Clarence Place — and police want anyone who saw him to contact them. A man who had been with Mr France was interviewed by police yesterday but was not in custody.

Whistleblower saved company £40m loss

NICHOLAS TIMMINS
Public Policy Editor

A whistleblower who exposed a £1m-a-year waste disposal fraud prevented the loss of a £40m investment and hundreds of jobs in Britain, the whistleblowers' charity said yesterday.

Public Concern at Work said the case highlights the need for a whistleblowers' Bill, which is due to return to the Commons in July when the Government will have to decide whether to try to vote it down or not. Ministers have not acted to block it — while making clear their opposition despite the widespread cross-party support the Public Interest Disclosure Bill enjoys.

In the waste disposal case, an employee realised that colleagues were stealing costly new material from a customer while allegedly collecting its waste. He contacted the charity whose lawyers notified the firm which hired commercial investigators. The fraudsters were

caught red-handed, the police were called in, a £1.25m-a-year fraud was exposed, and prosecutions are pending.

"Once the company realised why profits had been so poor, it reversed its plans to divert a £40m investment to Germany, so saving hundreds of local jobs," the charity said.

In other cases, an employee of a food wholesaler realised his firm was supplying rotten meat to supermarkets. He informed the supermarkets who found the allegations true. The employee was sacked, later winning compensation and a job with a local competitor who, the charity said, "saw the benefits of having someone on the staff who was prepared to look after the interests of its customers".

The examples are from more than 300 involving serious malpractice at work which the charity says it dealt with during its second year and which it argues reinforce the case for the Private Member's Bill sponsored

by the Labour MP Don Touhy. It would protect whistleblowers from unfair dismissal and punishment, providing they have raised their concerns internally first and with the relevant regulatory authorities. Whistleblowers would have to establish that they acted in the public interest and would not be protected if they attempted to profit from their actions.

Guy Dehn, the charity's director, said "good businesses welcome whistleblowers", as evidenced by support for the Bill from the Institute of Directors and big companies such as Cadbury Schweppes, Esso and the National Westminster Bank.

But, he added: "Without legal protection for whistleblowers, responsible firms will continue to be ripped off by rogue operators, and public safety will be endangered."

Public Concern at Work: Second Annual Report, 42 Kingsway, London WC2 6EN. £5. Helpline 0171-404-6609.



than animals because an animal can roam when it is hungry.

September There is a big welt on my arm where I was whipped yesterday for falling asleep at the loom.

October The boss says we are behind on the carpet. We are too slow. So instead of starting at six we will start at four. And instead of stopping at eight we will stop at 11. Three boys are crying but I feel too tired to cry.

November A big commotion today. Nageshwar and his two younger brothers escaped.

December Nageshwar is back and we have been told that the same thing will happen to us if we try to escape. He has been branded with hot iron rods.

January I want to study, I want to be a teacher, and when I grow up I will earn money and help my father out of his debt. That's what I want to do, if I get out of here.

DIARY OF A SURVIVOR AGED 8 1/2

February I don't know why I am here. I think my Papa sold me to the boss to learn a trade and now the boss says I must do exactly what he tells me.

March It's the same every day. We go from our beds to the loom at six. No-one must talk. We tie tiny knots all day, the smallest ones on the carpet because we have small fingers. Work, work, work. My fingers crack and weep and sometimes my eyes get all blurred. We get a cup of dahl and half an hour to rest then go back to the loom till night time. There is no more food. We are too tired to play.

April Paro talked today and the boss lashed her with the cane. He shouted at us "if you children speak you are not giving your whole attention to the product."

May My fingers bled again and the boss got angry with me for getting blood on the loom. He says I will work extra hours for the next two days and I will be fined and that will increase my father's debt to him. I cried when he talked about Papa.

June The boy who lost a hand, poor Rangilal, he fainted today. We begged the boss to open the window. "The mud walls are hot sir. The thermometer says 105 sir." But the window stays shut to keep out the insects that eat the wool.

July Not much light gets through the polythene slats in the roof. It's hard to see the pattern. I made mistakes today and I'm frightened what will happen when the boss finds out.

August In bed tonight, Nageshwar told me his plan to escape. He is brave but he is bigger than me. He said we live worse

This diary is based on interviews with Madan Ram and other children recently working in carpet factories in Uttar Pradesh, India.

These children have been rehabilitated with the help of Christian Aid, but in India alone an estimated 15 million children still spend their entire childhoods slaving in bonded labour to help their parents out of debt.

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Labour backs Brown plan to cut youth dole

JOHN RENTOUL
Political Correspondent

The Labour leadership is to rally round Gordon Brown, the shadow Chancellor, in a show of unity today in defence of his controversial plans to cut the dole for young people who refuse training places and to withdraw child benefit from the parents of 16-18-year-old students.

Tony Blair, the Labour leader, and shadow Cabinet members David Blunkett, Jack Straw and Chris Smith, will join Mr Brown on the platform this morning to launch a £1.6bn "New Deal for the Lost Generation," combining training and work schemes.

Mr Brown's plan to cut income support for under-25s if they refuse work or training places split the shadow Cabinet when he floated it in November. It has been under fire at all levels of the Labour Party.



Brown: Plan to reduce benefits split the party

A document to be considered at a policy-making forum in Manchester at the weekend will not endorse the policy explicitly, but will say the young unemployed have a "responsibility" to seek work or take up the other options a Labour government would provide, including training, voluntary work

and work on a green clean-up task force. These schemes would all pay extra, on top of benefits. And it concludes that the package will ensure that "prolonged spells on benefit are not an option".

It also contains a commitment to review child benefit for 16-18-year-olds as part of a review of public funding for education and training. Mr Brown is expected today to repeat his insistence that Labour must make "tough choices" over the allocation of resources.

He will be backed by Stephen Byers, Labour's spokesman on training, who has published a new analysis of official figures which show fewer than half of households with 16-18-year-olds gain from child benefit.

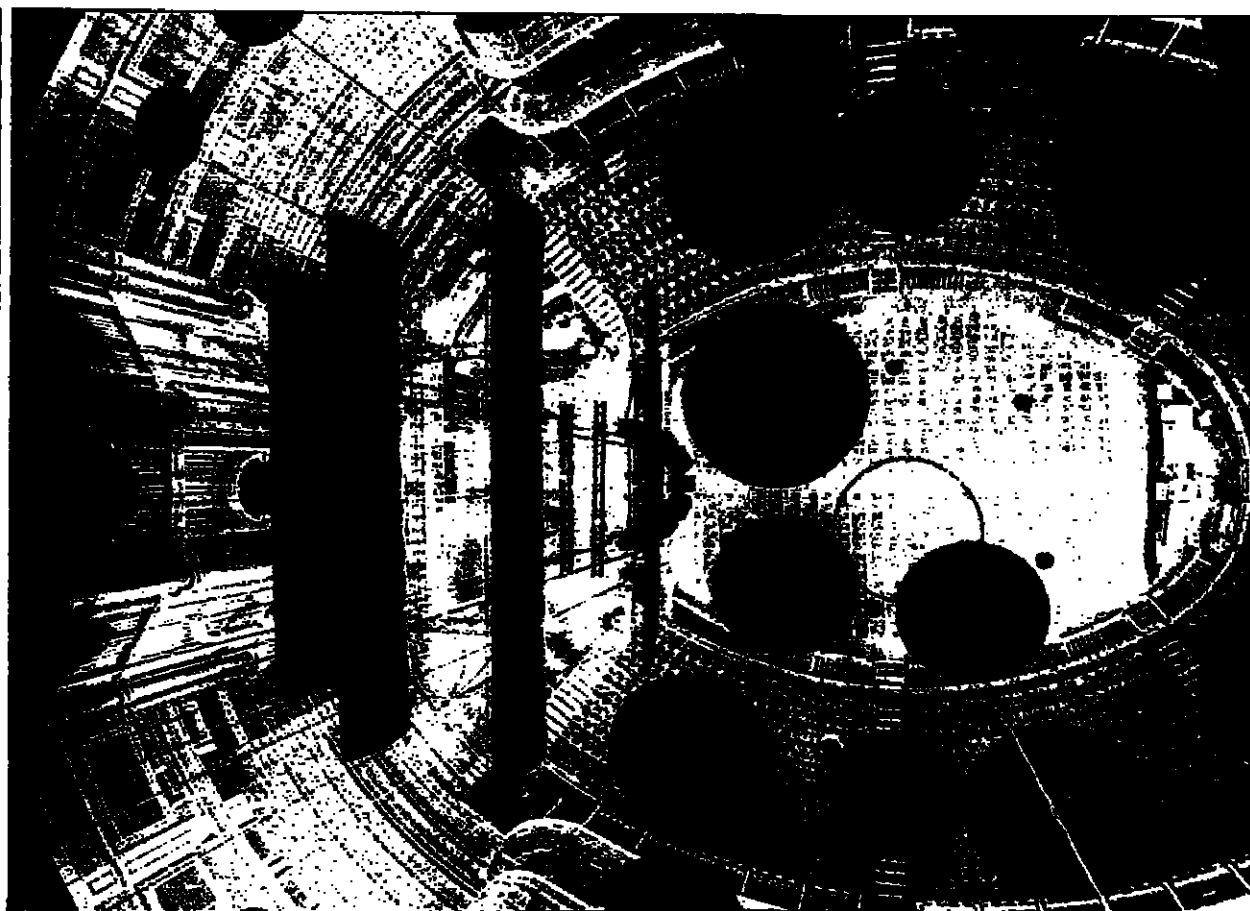
The benefit is paid only to mothers of 16-18 in full-time education and is deducted from the income of the 11 per cent of households on social security benefits.

The document on which today's launch is based was approved last week by the powerful joint policy committee of the shadow Cabinet and National Executive. It is expected to come under attack from party activists in Manchester on Saturday.

Chris Smith, Labour's social security spokesman, has been added to today's line-up to demonstrate shadow Cabinet unity, in the wake of a struggle in which Mr Brown blocked his wider-ranging policy paper on incentives to move people from "welfare into work".

This substantial paper, which has already been drafted, will not now be considered by the Manchester policy forum.

Party insiders doubt a version will be included in Labour's pre-election manifesto, which is due to be drafted in June, put to the party conference in October and then put to a ballot of party members in December.



Centrestage: The Royal Albert Hall was the focus of a row as its chief executive, Patrick Deuchar, accused the Department of National Heritage of "leaking" details of a £40m National Lottery cash grant. Photograph: Dillon Bryden

Successors fail to excite Mellor

MARIANNE MACDONALD
Arts Correspondent

David Mellor, the first Secretary of State for National Heritage, was yesterday called to give judgement on his successors – and his verdict suggested their performances were resoundingly mediocre.

Mr Mellor, now a broadcaster and presenter as well as an MP, was unseated from the Cabinet in 1992.

Since then there have been three heritage secretaries in almost as many years, including Stephen Dorrell, now Secretary of State for Health, who was widely perceived as uninterested in the job, and Virginia Bottomley, the incumbent.

In an apparent reference to Mr Dorrell – who, when asked, had not been able to remember the last film he had seen – Mr Mellor warned the National Heritage Select Committee that the post of heritage secretary required genuine interest in the issues.

"You have got to believe that cultural values matter. They're not just a spray-on addition to cultural table talk. Nobody remembers all the emperors Mozart had to slave for, but they remember Mozart," Mr Mellor

told the inquiry into the remit and structure of the Department of National Heritage.

"What matters is the motivation and calibre of ministers," he added.

The former minister expressed discontent at the handling of the National Lottery and the Millennium Commission, and gave broad hints that he regretted having to step down from the Cabinet.

"I frankly think there's room for more direction, when you look at what they're planning for the millennium. We're going to get a load of millennium village halls – is that really what we want?"

He also criticised the appointment to the Millennium Commission of Patricia Scotland QC, who is said to have failed to attend meetings.

"In relation to the lottery, it is not self-evident that just because you are a successful female barrister, or have won a gold medal in the bobsleigh, that you are the right person to decide," Mr Mellor continued.

"Parliament should have taken the lead with the millennium. When I see some of the schemes [which have won lottery funding] I wonder which millennium they think they are aiming for."

Dobson attacks wrongdoers of Westminster

The Conservative Party has sunk so low that in the affair of Westminster City Council it reversed the moral stricture from the Book of Psalms which is set above the door of the Old Bailey, the Commons was told yesterday.

In a graphic conclusion to his denunciation of all concerned, from 10 Downing Street through Dame Shirley Porter to council officials, in the "homes-for-votes" scandal, Frank Dobson said the Tories were "beyond redemption". Above the door at the Old Bailey were the words: "Defend the children of the poor and punish the wrongdoers", the Labour environment spokesman said.

The Tories have reversed these ancient laws that should guide the conduct of mankind. The Tories now defend the wrongdoers who punished the children of the poor."

Homeless families, mostly single mothers with children, were high among the victims of the council's efforts to rig the electorate in eight marginal Westminster wards, he said.

Labour's motion for what proved to be a noisy, political-knockabout of a debate, called on the Government to condemn the "malpractice on an unprecedented scale" revealed last week in the report of the

Inside Parliament
Stephen Goodwin

district auditor, John Magill. Dame Shirley, the former leader of the council, and five colleagues were ordered to repay £31.6m of public money. Failure to condemn the gerrymandering would be regarded as "further evidence of electorally-motivated support for the council," the motion stated.

The people John Gummer, Secretary of State for the Environment, was keenest to condemn were Mr Dobson and those Opposition MPs prepared to accept the findings of the district auditor.

The Surcharged Six lodged a notice of appeal on Monday. "It would not be right, proper or decent to condemn people until the courts have had their say," Mr Gummer insisted.

Mr Dobson wondered how long the restraint of Mr Gummer and the Prime Minister could last. "When is an outcome not an outcome? Lady Porter is a very wealthy woman. She can afford to keep on appealing and appealing," he said. "When will Mr Gummer condemn?"

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Labour and Tory Euro-sceptics made common cause in backing a Bill to scrap the EU fisheries policy and impose a 200-mile territorial limit for British waters.

The Fishery Limits (Amendment) Bill, introduced by Austin Mitchell, MP for Great Grimsby, with the support of more Tories than fellow Labour members, gained its formal first reading without a vote.

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Russian democratic bloc falls apart

PHIL REEVES
Moscow

It is a saga that brings to mind proverbs about organisational skills and breweries. Do not accept an invitation to drink at a vodka factory, if Russia's so-called democratic politicians are the hosts: it would almost certainly be a flop.

With only a month to go before the first round of the presidential elections, efforts by three of the nation's better known candidates to join forces and offer an alternative to Boris Yeltsin, and the Communist

leader, Gennady Zyuganov, have collapsed in disarray. Yet they are so far holding out against President Yeltsin — despite appeals from several leading pro-reform politicians urging anti-communist candidates to unite around him, to avoid the risk of ushering Mr Zyuganov into the Kremlin by splitting the vote.

The three men — Grigory Yavlinsky, the liberal economist, Alexander Lebed, a retired general and nationalist, and a famous eye surgeon, Svyatoslav Fyodorov, had planned to unite under the banner of a group

called "Third Force". Their aim was to attract the large chunk of the Russian electorate who are disaffected by economic malaise and corruption of the Yeltsin regime, but do not want to risk a return to Soviet-style Communism.

The trio, who are among the 10 most popular politicians in the country, were considering selecting a single candidate to lead the group, based on their poll ratings. One survey suggested they had the combined support of 14 per cent, nearly two-thirds of Mr Zyuganov's rating. But after months of dithering their ini-

tiative has collapsed. "We could not agree," said Dr Fyodorov, who made clear he blamed General Lebed for refusing to drop his candidacy.

Their demise is not as beneficial to Mr Yeltsin as it might seem. While he will be happy to see an end to the "Third Force", the trio are still ploughing ahead as individual candidates.

They could take votes from the Communists, but their presence on the ballot — and particularly Mr Yavlinsky's — seems likely to be more damaging to the President. Mr Yeltsin has implicitly acknowledged this by

trying to recruit them to his side, spawning speculation that they would be offered high positions in return for their support. Mr Yavlinsky, head of the popular Yabloko party (which won nearly 5 million votes in last year's parliamentary election) is touted as a replacement for Prime Minister Viktor Chernomyrdin.

Several days ago Mr Yeltsin tried to jumpstart a deal by publicly announcing that he was uniting with Mr Yavlinsky — the best known and most powerful of the three — only to be embarrassingly contradicted. Mr Yavlinsky had earlier hinted

that he was ready to do business with the Kremlin team, and even presented Mr Yeltsin with a list of policy proposals.

But when Mr Yeltsin got too chummy, Mr Yavlinsky declared the chances of unity were about the same as those of the President "firing his entire executive staff and admitting the colossal failure of his policies".

The gruff and ambitious General Lebed has — at least in public — waved away Mr Yeltsin's advances, saying he is no better than the Communists. ■ Russia and its closest ally in the former Soviet Union, Be-

larus, may form a new military alliance and strengthen positions on the border with Poland, which wants to join Nato, the Defence Minister General Pavel Grachev said yesterday, writes Christopher Bellamy.

"If our recommendations are not taken into account and if no new ways for co-operation are found between Russia and Nato we will take military steps in our western region," General Grachev said. His comments follow recent Russian statements expressing concern about what Moscow sees as Nato's eastward expansion.

Croatia's entry to Council delayed

PAUL AMES
Associated Press

Brussels — The Council of Europe agreed yesterday to postpone Croatia's entry into the human-rights organisation until it provides further proof of its democratic credentials. Representatives of the 39 member nations, meeting in Strasbourg, said they will draw up a list of conditions for Croatia to meet before they approve its membership.

Their decision marks the first time in the 47-year history of the Council that the member nations have gone against a vote by the organisation's parliamentary assembly. It reflects growing European concern about the authoritarian ways of Croatia's President, Franjo Tudjman.

The council is best known for its 1950 European Human Rights Convention, which enables citizens of member nations to challenge their governments for suspected civil rights abuses in a special court.

Its parliamentary assembly voted on 24 April to admit Croatia, despite misgivings about Mr Tudjman's government. Normally Croatia's entry would be rubber-stamped by the organisation's foreign ministers.

But the European nations felt obliged to take the unprecedented action of delaying membership after Mr Tudjman's election of an opposition mayor of Zagreb and cracked down on the independent media. "Consensus on the eventual accession of this country is still a long way off," the Council said in a statement.

On Monday foreign ministers from the 15-nation European Union said Croatia's membership of the Council should be allowed only if it meets certain conditions. A detailed list of conditions is expected to be drawn up by the members' ambassadors on 30 May.

It is likely to include guarantees of press freedom, protection of minorities, compliance with the Balkan peace agreement and co-operation with the international war crimes tribunal for former Yugoslavia.

Letters, page 14

Outrage at mass killer's jail orgies

DAVID USBORNE
New York

Public hearings begin in Illinois today into how a mass murderer who was jailed for life for the killings of eight student nurses in 1966 was allowed to lead a life of sex and drugs while behind bars — and make a movie about it.

At issue will be a video aired by a Chicago television station that shows Richard Speck, one of America's most notorious killers, cavorting around an Illinois maximum security jail in women's underwear, engaging in sex with male inmates and snoring a while powder that appears to be cocaine.

"If they only knew how much fun I was having here, they would turn me loose," Speck boasts to the camera.

With viewers enraptured and appalled by the tape, it has exposed public suspicion that even those convicted of the most heinous crimes enjoy liberal treatment inside prison. The controversy is set to become nationwide this week-end, when the video will be broadcast by the A&E cable channel.

Apparently made with video equipment kept in the jail for guard training, the tape was made in 1988. At one point it

shows Speck, who died of a heart attack in 1991, stripping out of his jumpsuit to reveal blue women's undergarments. Segments during which he engages in oral and anal sex acts were not broadcast by the television channel.

Speck also confesses on camera for the first time to the murder three decades ago of eight student nurses in Chicago's South Side during a burglary. At trial, he claimed ignorance of the murders because of drug-induced amnesia.

Today's hearings in the Illinois State legislature will investigate how such behaviour by a convicted murderer was possible within the prison system. "Who is minding the store here? How can this stuff go on so that you can even make movies without the system being aware of it?" asked state representative, Thomas Johnson, who will chair the hearings.

Peter Roskam, another state representative said: "The notion that you could do these things in the Illinois Department of Corrections is absolutely insidious."

Questions are also being asked whether Speck was illicitly supplied with female hormones while in prison. On the tape, he appears to have developed ample female breasts.

Belgian campaigners protest at Britain's cattle cull



Masked members of the Belgian animal welfare group, GAIA, protesting outside the British Embassy in Brussels yesterday at the Government's plans for large-scale culling of veal and beef cattle as a response to the BSE crisis

IN BRIEF

India's left mounts new bid to govern

New Delhi — India's leftist National Front-Left Front (NF-LF) picked a new prime ministerial candidate and headed to see the president to stake a claim to power after indecisive elections. Deve Gowda, chief minister of the southern state of Karnataka, emerged as candidate after a series of meetings following the withdrawal of Marxist candidate Jyoti Basu. Mr Gowda, 63, is a leader of the Janata Dal, the biggest component of the NF-LF, which won 117 seats in the hung 545-member parliament. *Reuters*

Digital television makes Munich debut

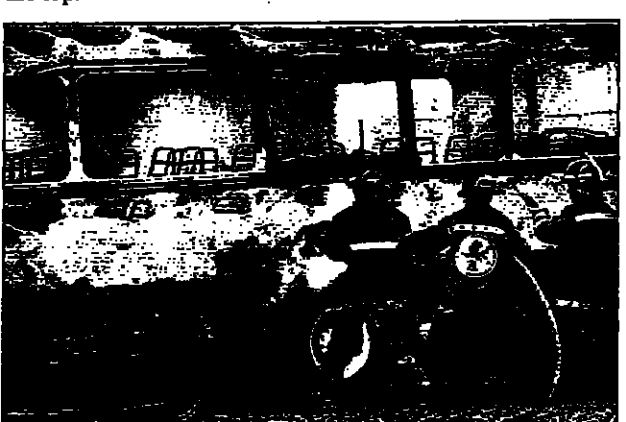
Munich — The first European field test of an interactive television system has brought digitalised videos on demand and high-speed Internet access to 10 Munich households. A special decoder, lets the participants order videos over telephone lines and surf the Internet using the television instead of a computer. *AP*

NZ stone wall "is lava flow"

Wellington — Scientists agreed that a mysterious stone wall discovered deep in an uninhabited forest was not built by an ancient civilisation, but is an old lava flow. Dr Neville Ritchie, an archaeologist, said the formation was natural. *AP*

Top French restaurant shuts down

Paris — Despite once enjoying three-star status in the prestigious *Guide Michelin*, gourmet chef Pierre Gagnaire said he was bankrupt and closing. The closure of a three-star restaurant in this culinary country is almost unheard of. Gagnaire fell victim to debts and the subsequent loss of its stars in March after three years at the top. *AP*



Venezuelan revolt: Firemen in Caracas douse a bus set alight by hooded demonstrators protesting at economic reforms introduced by President Rafael Caldera's government last month

Electric car of the future on show

Berlin — Daimler-Benz unveiled the world's first fuel-cell-powered car, saying it represents the auto industry's most realistic hope for a practical, pollution-free vehicle. The mini-van, can carry six people at speeds of over 100 km an hour and has an operating range of 250 km. Daimler said. *AP*

Dominican Republic President fears

Santo Domingo — Two days before an election to replace him, Dominican Republic President Joaquín Balaguer appointed new army and police chiefs. The surprise move prompted speculation that Balaguer, 89, might renege on his promise to retire. *AP*

Palestinian beer passes kosher test

Jerusalem — Devout Muslims may shun it, but an Israeli rabbi said the first Palestinian beer is kosher. Nadim Khoury's Taybeh brew is already savoured in more secular circles in the West Bank and in some bars around Israel. But without a stamp of approval, many Israeli hotels and restaurants could not serve it. *Reuters*

US troops set to extend stay in Hungary

ADRIAN BRIDGE
Budapest

Some US forces may remain in Hungary after American troops pull out of Bosnia, according to diplomats in Budapest. The southern Hungarian town of Kaposvar and the nearby air force base at Tazsar were selected last year to be the main staging-post for 20,000 US soldiers serving with the Nato-led I-For peace-keeping force in Bosnia.

"Tazsar has proved itself to be a very useful supply base ... and, if it were maintained, it would make it much easier to send in US troops again should the need arise," said one Western diplomat.

Although the success of the Dayton peace accord in Bosnia is far from assured, President Bill Clinton has pledged to pull out US forces there by late December. "At the moment various options are being considered which could involve US or other Nato or other I-For forces remaining there. But I do not expect a decision until at least a day after the US presidential election in November," said the diplomat.

The returning troops would all go through Tazsar and Kaposvar, as most did on their way into Bosnia. At the peak of the operation early this year, almost 1,000 trucks a day were thundering through the town as soldiers and equipment normally based in Germany were redeployed to Bosnia.

As the noise subsided, residents focused more on the ben-

efits: a huge injection of cash and hundreds of new jobs. "Every hotel-room in town has been booked for a year," beamed Karoly Szita, Mayor of Kaposvar. "And everyone in the world now knows the name of our town."

In addition, the establishment of the staging-post at Tazsar, with 3,000 military personnel, has also boosted Hungary's hopes of being one of the first former Warsaw Pact countries to be admitted to Nato.

"The Hungarians have bent over backwards to ensure the success of this operation and provide every help they could," said a diplomat in Budapest. "It would have been a pretty tall order for any European country, let alone one that is still trying to catch up."

Given Hungary's strong interest in seeing a permanent end to the war in former Yugoslavia and the Brownie points it has already won with its would-be Nato partners, Budapest would be unlikely to oppose an extension of the base's use as a staging-post for Bosnia.

"I find this involvement with America very interesting," said Piroška Keri, a hotel receptionist. By her side, beaming from ear to ear, was Matt Stevens, a civilian American from Minnesota who has been involved in a defence-mapping project at Tazsar.

"I have found the Hungarians warm, friendly and very welcoming," he said with a smile at Ms Keri. "I do not get the impression that we are going to be going home any time soon."

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مكتبة الاسفل

General election: 'Neglected' Jews from the former Soviet Union back human-rights hero

Israel's Russians look to their own

ERIC SILVER
Jerusalem

When Anna Dobroborsky writes to friends in Moldova, she keeps quiet about her job. Before emigrating to Israel in 1991, she was a senior engineer in a factory; in Jerusalem, she cleans floors.

In the 1992 election, she and her tailor husband, Lazar, did not vote. "We still didn't understand what was going on here," she said. "We had been political activists in the Soviet Union. We believed you should vote responsibly, for something you knew about." Anna is 55; Lazar 60. She works full-time; he has a part-time job. Together they earn 4,000 shekels (£800) a month.

Home is a caravan, for which they pay a nominal rent of 20

grants have been humiliated. We want people in parliament who know our problems and want to do something about them."

If most of the 400,000 ex-Soviet immigrant voters who have settled in Israel since 1989 followed their example, they could overthrow Shimon Peres's centre-left coalition. The Russians account for about 10 per cent of the electorate in a tight race. In 1992 a majority of the newcomers voted Labour to punish a Likud government for "neglecting" them. Four years later, many are equally disenchanted with Labour. They seem, however, to be taking it out on the party rather than its leader.

A recent poll found 37.9 per cent of the immigrants backing Mr Sharansky, to 23.7 for Likud and 20.9 for Labour. Yet Mr Peres led Mr Netanyahu by 10 per cent for Prime Minister, with 9 per cent undecided. Mr Netanyahu has yet to convince the newcomers he would do a better job. "With Sharansky I feel I can influence things," said Boris, an engineer. "But I don't see anybody to choose from for Prime Minister."

Segei Makarov, 56, an ex-Moscow science writer who now earns his living as a translator, night watchman and occasional furniture-van driver, said: "Peres is much closer to me. He's more intelligent, more European. I'd like him to be stronger, more careful, in the peace talks, but I'm not against a Palestinian state."

"Netanyahu is too aggressive for me ... To handle the intricate situation we're in, you need wisdom and vision." So Mr Peres wins his vote for Prime Minister but he is backing Mr Sharansky for the Knesset. If the polls are right, the former human-rights hero could take four seats in the 120-seat chamber.

Mr Sharansky said: "We didn't form this party to get into government ... but as a magnet that attracts Jews by its quality of life ... and civil rights. We want immigrants to be able to use their talents and compete so that more will want to come."

He would, however, negotiate with either Mr Peres or Mr Netanyahu. "Whoever wins the election," said Haim Ramon, Labour's campaign director, "Sharansky will be a minister."



Sharansky: Capitalising on newcomers' grievances

shekels a month. They see no prospect of buying a flat, even with a subsidised mortgage. Neither the government nor the council has rented housing to offer. If they could turn back the clock, the couple admitted, they would not have left Moldova. "The only way to deal with the fact that a chief engineer is working as a cleaner," said Anna, "is not to think about it."

This time, the Dobroborskys will vote. "Now," said Lazar, "we understand what life is like here." They will vote on 29 May for a new Russian immigrants' party led by the Gulag graduate Natan Sharansky, and for the right-wing Likud leader, Benjamin Netanyahu, in the separate ballot for Prime Minister. "We are disappointed with the Labour government," Anna said. "They never did anything for us. Russian immi-



Minority issue: Russian immigrants accuse the Labour party of doing nothing for them

Photograph: Rex Features

Ghana admits boat refugees

VINCENT TSAS
Reuters

Ghana agreed yesterday to take about 3,000 Liberian war refugees who spent 10 days as outcasts sailing the West African coast in a battered freighter.

Ghana believes that these innocent civilians should not be made to suffer any more for the failure of their political and faction leaders to reach a peaceful solution of their differences," said the deputy foreign minister, Mohamed Ibn Chambas.

The Nigerian cargo ship *Bulk Challenge* left the Liberian capital, Monrovia, on 5 May and had already docked twice at the Ghanaian port of Takoradi before yesterday's decision. Food and water were in short supply and three people on board had died.

In Geneva, the United Nations High Commission on Refugees said Ghanaian President Jerry Rawlings had agreed to take the refugees.

"Ghanaian authorities are requesting UN assistance to care for the refugees. We're standing by ready to help as we said we would be," said UNHCR spokesman Ron Redmond.

An eruption of heavy fighting shattered two days of relative calm in Monrovia yesterday, one day after handshakes and professions of peace between rival gunmen.

The US embassy, which is protected by marines, advised its staff to move around the seafloor compound with extreme caution after fighting moved towards it.

Witnesses said shooting began before dawn after fighters loyal to the dominant faction leaders, Charles Taylor and Alhaji Kromah, advanced towards ethnic Krahn rivals in and around the Barclay Training Centre barracks.

Battles between the two sides since 6 April have shattered a 1995 accord on ending a six-year civil war and triggered an exodus of refugees.

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Mongolia: A quarter of its forests destroyed, 19 dead, hundreds homeless as spring flames rage

Fire takes toll on a fragile land

LOUISA WAUGH
Ulan Bator

It happens every year. Human carelessness in the vast, isolated Mongolian steppe is a recurring tragedy, bringing death and destruction as flames sweep across the plains.

Every spring, hunters and herders light small fires as they camp in the open, windswept countryside or beside the huge coniferous forests that lie in the north-west of Mongolia. And every spring, some of these fires are left unattended, they rise, rapidly consuming the dry grass or trees, until they are blazing out of control.

Eventually, enough people are mobilised to beat down the flames, using the only tools they have had for centuries - clothes tied to sticks, brooms and water from rivers or wells. Every year people are injured as they fight or flee these fires.

Urban Mongolians shrug off the blazes. They happen every year. The people in the countryside are careless, stupid. But this scarcely populated country (2.3 million at the last count) has been stunned by the ferocity of this year's fires.

Nearly 300 have already been recorded this year and around 25 are still burning. A quarter of Mongolia's forests have been burnt to the ground. At least 19 people have lost their lives, including a 16-year-old firefighter who received 90 per cent burns. Generations of livestock have been wiped out or burnt so badly they have had to be destroyed. Hundreds of families are homeless, their traditional round-tent dwellings (gers) being flammable and quickly consumed in the fires.

Some families have resorted to sleeping in the open, where, even in May, temperatures can drop to -10 degrees at night.

It is the sheer size of Mongolia that has allowed these fires to rage almost at will. This is a country the size of western Europe. Outside the big cities, communication is unsophisticated and roads are bad.

The fires damaged thousands of communication line posts across the country this year. Reports of fires were delayed, sometimes fatally, as whole communities live without telephones. At times, all people



Desperate work: Mongolian nomads try to halt one of the fires which lay waste to large areas of Mongolia each year

Photograph: Popperfoto

could do was watch their land go up in smoke.

The area close to the capital, Ulan Bator, which lies in central Mongolia, has also been badly damaged. Terelj nature reserve lies just 45 kilometres (25 miles) north-east of Ulan Bator. It is a popular weekend haunt for tourists and the 900 or so foreigners who live in the capital.

The fire at Terelj was fairly small compared to many of those which have been burning across the country since February. It spanned roughly 16 by 10km (9 miles by 6). But locals, including children, fought the

blaze unassisted for over a month, before 500 volunteers were drafted in from the nearby city of Nalaih. They fought the blaze together with sacks and water from the nearby river. "Weather-modification pellets", made from dried carbon dioxide, were fired from an old Russian cannon into the low-lying cloud. This was to induce the snow which had finally been forecast. Forty-eight hours later snow had fallen, and the fire had been extinguished, just 30km from Ulan Bator.

Although we arrived at Terelj towards the end of the firefighting operation, the ground

was still smouldering, as though ready to reignite, as has happened at hundreds of sites across the country. Fires apparently extinguished have fed on the high winds and parched yellow grass and once again blazed out of control.

Thousands of Mongolians have spent weeks sleeping close to the blazes, breathing in smoke that prevents them from seeing 10 feet in front of them. Winds have changed direction so rapidly and with such fury, that these inexperienced volunteers, who include prisoners released from a jail in Mongon

Mort, north-east of the capital,

have fled from the blaze, unable to save anything. At least one person died on horseback, trying to gallop beyond the flames.

The brief television news reports and prepared statements from ministers and ministries cannot convey people's shock and bewilderment at losing their homes and livelihoods.

Towards the end of April, the world was finally alerted to the tragedy. Trucks loaded with aid are lurching across the Mongolian steppe. Tents, fire-proof clothing and food are gradually reaching remote corners of the country. Local relief operations have moved a staggering

250,000 livestock from areas of charred, ruined land, to the nearest fertile pastures, where they can finally feed.

Recent estimates by the Mongolian Government admit that environment damage caused directly by the fires will cost \$2bn (£1.3bn). This will cripple the country's fledgling market economy.

Funds are also desperately needed to implement a warning system in rural areas to prevent this tragedy from recurring. If no preparation is made in advance for next year, the spring of 1997 may not bode well for this fragile land.

US set to hit China over bootleg CDs

STEVE CRAWSHAW
Shenzhen

An animated little crowd gathers on a busy pavement in the south-eastern Chinese town of Shenzhen. The glitzy new skyscrapers towering over the scene would not disgrace the more famous Hong Kong skyline. But the crowd is more interested in what is lying on the ground, rather than the mirrored glass and concrete towers which multiply month after month.

On the streets of Shenzhen compact discs are being sold for around 50p. Pink Floyd, Red Hot Chili Peppers, Mendelssohn; the choice is yours.

The sale in this boom town goes to the heart of a blazing row which has re-erupted between China and the United States. The Americans are furious that the Chinese are producing pirated CDs and CD-Roms.

Talks in Peking yesterday, aimed at giving Chinese officials an opportunity to rebut the American allegations, failed to persuade the US administration. Officials said Washington will take steps today to introduce trade sanctions on Chinese textile and electronic manufacturers. The action would include publication of a list targeting about \$3bn (£2bn) worth of Chinese goods for import taxes of 100 per cent. China's total annual exports to the US total \$40bn, while the US alleges a loss of \$2.3bn to piracy. There is still time for a compromise before sanctions take effect, as US law requires a one-month delay to allow public comment.

The Chinese insist that they are trying to bring the situation under control. "What can we do, in a country of 1.2 billion?" pleaded one businessman in Shenzhen. "These things can be made in people's garages, you know. It's impossible to clamp down completely."

The excuse is partly disingenuous. As the *South China Morning Post* noted: "It is tempting to ask how long it would take Peking to close down factories if they were producing seditious material." "Clampdown" headlines

were a regular feature in the Peking press in the lead-up to the visit to Peking of Lee Sands, the US Assistant Trade Representative, who wound up the abortive talks yesterday. Mr Sands reportedly keeps a scrapbook of such cuttings, timed to coincide with his trips.

None the less, there is some truth in the Chinese defence. A number of manufacturing plants have been closed down in the past year. The CDs and their casings had been confiscated and sheared at the edges - precisely because they were illegal. The damaged CDs, it



Sands: Chastised China for pirating \$2.3bn from US

seems, then fell off the back of the investigators' lorry and popped up in the street markets.

The CD sale is a vivid reminder that, even where piracy is being tackled, there are few Chinese corners which corruption has failed to reach. The authorities have shown little inclination to liberalise on the political front, but, on economic legislation, they are keen to persuade the world that their heart is in the right place.

Senior legal officials in Hong Kong, just across the border from Shenzhen, talk in bemused but flattered tones of the growing "plagiarisation" of Hong Kong's laws by mainland China. Peking, according to this analysis, knows that its economic growth may be slowed down by the lack of a legislative framework.

So far at least, even when China's ideological spirit has been willing, its corruption-loving flesh has proved weak.

Abortion

Hundreds as storm h Bangladesh

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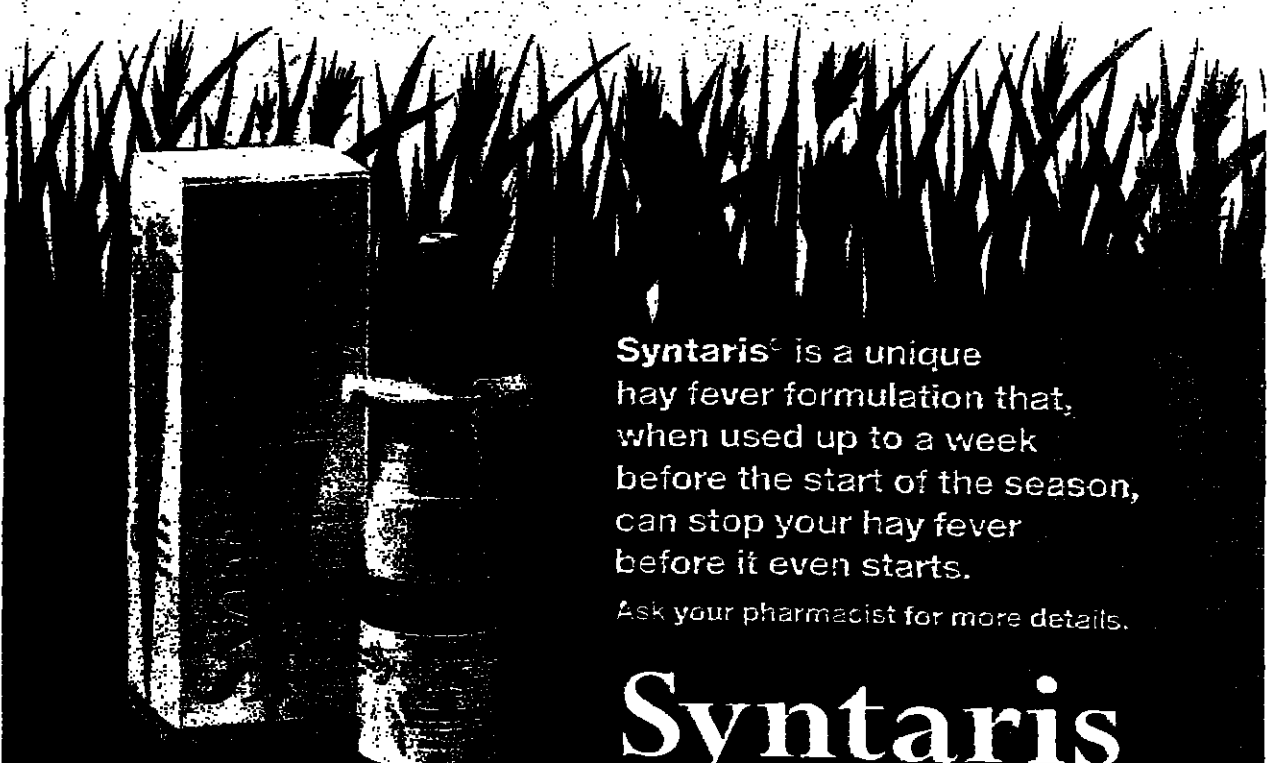
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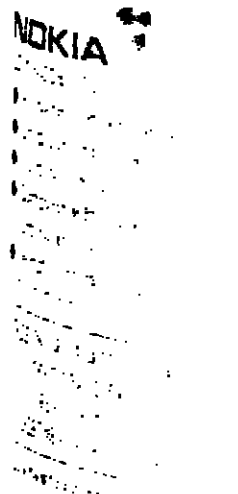
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مكتبة من الأدب

Abortion threatens disaster for Republicans

The party is tearing itself apart over social issues before its convention, writes **Rupert Cornwell**

Washington — For Republicans, it is what Vietnam was for Democrats, what nuclear disarmament used to be for Labour, and what Europe is for the modern Tories. Three months before the San Diego nominating convention, an eternal doctrinal argument over abortion is once more tearing the party asunder.

In 1993, when the divisions at the Houston convention that poisoned the re-election bid of George Bush were still fresh in the memory, the Republican establishment vowed to make peace over abortion. Never again would strident conservatives be given such free rein; agreement to disagree was the new watchword and the party would genuinely become the "broad tent" it claimed to be.

Instead, the opposite has happened. Pat Buchanan, the dark crusader of Houston, will be back in San Diego with more influence than ever, warn-

ing that any softening of official Republican policy against abortion could drive him from its ranks, causing a split which would doom the presumptive nominee, Bob Dole, as surely as Mr Bush was doomed four years ago. Disgusted at the spectacle which may lie ahead, not a few Republicans are already making travel plans to be anywhere but San Diego at the appointed hour in August.

But this time the Republican pro-choice lobby is not prepared to listen to Mr Buchanan in the numbed and appalled semi-silence of 1992. "Walk away from (the rigid anti-abortion stance) and walk away from me," the former commentator said this week. But an assembly of party heavyweights, led by a coalition of dozens of Congressmen, and four of the best-known

Republican governors — Pete Wilson of California, George Pataki of New York, Christine Todd Whitman of New Jersey and William Weld of Massachusetts — are ready to call Mr Buchanan's bluff.

The immediate battle surrounds the abortion plank in the party platform, unchanged since 1976, that "the unborn child has a fundamental individual right to life which cannot be infringed" and thus committing Republicans to a constitutional amendment prohibiting abortion completely.

Unfortunately, not just a majority of the country (70 per cent at the last count) opposes so rigid a formulation but a clear majority of registered Republican voters as well. Logically, everything dictates the party moves with the times. But in the

politics of abortion here, the obvious rarely prevails.

Daily, sniping mounts and disarray grows. Senator Alfonse D'Amato, head of the Republican Steering Committee, whose conservative credentials are otherwise impeccable, has branded Mr Buchanan a "philosophical anarchist". The Buchanan camp, however, insists that if Mr Dole picks Colin Powell or any other pro-choice Republican as his vice-presidential running-mate, it will put forward a rival candidate from the floor.

Every attempt at compromise has failed, even one by Ralph Reed, director of the adamant pro-life Christian Coalition and prime spokesman of the religious right. Perhaps, Mr Reed said this month, the platform's language might be modified to

retain an uncompromising anti-abortion flavour, but dropping the explicit demand for a constitutional amendment. But Mr Buchanan was furious, Mr Dole said nothing, and within 24 hours Mr Reed had swallowed his words. Former Vice-President Dan Quayle, the original Republican "family values" champion, has also called for a truce, but to no avail.

And even the party's one recent tactical success on abortion — passage by Congress of a bill outlawing certain late-term or "partial birth" abortions which was vetoed by President Bill Clinton — has only succeeded in laying the rift bare anew.

True, Catholic voters will have been shaken by the stinging condemnation from every American cardinal and the Pope in person. But Ms Whit-

man disagreed, supporting Mr Clinton's action and pointing out the procedure in question was exceptionally rare, used only when the mother would otherwise die. Her stand cost her the post of deputy head of the convention platform committee, to be chaired by Congressman Henry Hyde of Illinois, one of the fiercest pro-life advocates in the party.

In fact, among voters for whom a party's policy on abortion is a make-or-break issue, the Republicans' rigid stance attracts more supporters than the solidly pro-choice platform of the Democrats. But the more subtle damage is immense.

Mr Dole's feeble gifts as an orator and insistence on running his campaign from the Senate floor (instead of taking his message out into the country) are

certainly reasons for his dismal poll showing. But nothing does more to cement the party's image of inflexibility and intolerance than the abortion issue.

A survey yesterday showed Mr Clinton retaining a lead over Mr Dole of 20 per cent, thanks largely to his overwhelming backing among women, and a surge of support among suburban voters, both blue-collar "Reagan Democrats" and affluent professionals. These latter especially should be a bedrock Republican constituency. Instead, they are scared off by the party's obsessive conservatism on social issues — first and foremost abortion. Conceivably, reality will yet intrude in the three months before San Diego: as the columnist Richard Benedict recently observed in *USA To-*



Pat Buchanan: Back in San Diego with more influence

day, "Political parties are secular institutions not bound by centuries of dogma and tradition. To expect them to adhere to rigid ideology in the face of evolving public opinion is to eventually render them extinct." A point however as yet un- taken by Pat Buchanan.

Hundreds die as storm hits Bangladesh

TIM MCGURK
New Delhi

Calamity-prone Bangladesh was struck by a tornado yesterday, which killed more than 400 people and left more than 33,000 others injured and dying.

Witnesses in the northern Tangail district described seeing "a fire-red funnel" appear in the western sky seconds before the tornado struck.

It slammed into dozens of villages and obliterated them. Homeless survivors fled through a deadly whirlwind of flying tin roofs, torn-up trees and dust. Some people tried to save themselves by clinging to trees, but many of them died when the 125mph winds ripped them away.

The tornado lasted only 20 minutes, late on Monday afternoon. But its impact was fierce and deadly. The death toll is still climbing, as the army and rescue workers reach the devastated areas of this cotton-growing district. In one village 120 people were killed, many of them children who were crushed when the tornado destroyed a boarding school.

State-run Radio Bangladesh said that emergency aid was being rushed to the tornado-struck northern regions.

Witnesses told news agencies that buses full of injured people were arriving at hospitals. The injured were being carried to medical care from villages cut off by road in hammocks strung from bamboo poles.

It is the country's worst catastrophe since 200,000 Bangladeshis were killed in a storm in 1991.

Tornadoes are common in Bangladesh, as are floods and droughts. More storms are expected, and one of the country's main rivers, the Brahmaputra, is also in danger of flooding.

Most of Bangladesh is only a few feet above sea level and when the rivers flood, as they do often, much of Bangladesh is then swamped.

The storms sweeping up the Bay of Bengal also caused havoc in the Himalayas. At least eight climbers on Mount Everest were killed when a freak blizzard struck the world's highest mountain. The country's caretaker Prime Minister, Habibur Rahman, said emergency relief would be provided for the tens of thousands of victims left homeless and whose crops were ruined by the tornado.

More bodies are expected to be found today, when rescue workers reach many of the cut-off villages. Hospital workers reported that blood and bandages were running out, and even though the area of devastation was only 60 miles from the capital, Dhaka, uprooted electric poles and fallen trees had blocked the main roads.

A doctor quoted by news agencies, Rafiqul Islam Khan, said there were "scores of screaming patients lying on the hospital floor with more arriving constantly".



Victims: A mother wails near her daughter's body. Photograph: Rafiqur Rahman/Reuters

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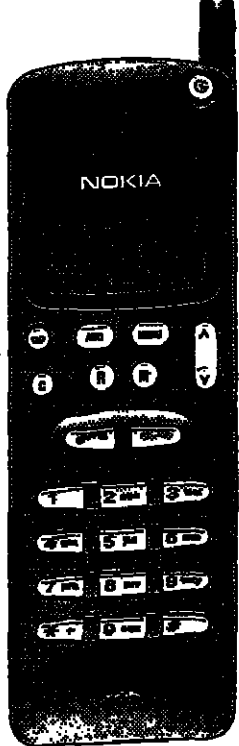
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	£50,000+	3.35%	2.68%
	£25,000+	3.20%	2.56%
	£10,000+	2.90%	2.32%
	£5,000+	2.35%	1.88%
	£2,000+	2.10%	1.68%
	£1,000+	1.90%	1.52%
PREMIER SAVER An instant access account for investors who limit their access over a 12 month period (No withdrawals).	£100,000+	4.35%	3.48%
	£50,000+	4.35%	3.48%
	£25,000+	4.20%	3.36%
	£10,000+	3.90%	3.12%
	£5,000+	3.35%	2.68%
	£2,000+	3.10%	2.48%
	£1,000+	2.90%	2.32%
(1-6 Withdrawals)	£100,000+	3.35%	2.68%
	£50,000+	3.35%	2.68%
	£25,000+	3.20%	2.56%
	£10,000+	2.90%	2.32%
	£5,000+	2.35%	1.88%
	£2,000+	2.10%	1.68%
	£1,000+	1.90%	1.52%
(More than 6 Withdrawals)	£100,000+	2.55%	2.04%
	£50,000+	2.55%	2.04%
	£25,000+	2.45%	1.96%
	£10,000+	2.15%	1.72%
	£5,000+	1.65%	1.32%
	£2,000+	1.15%	0.92%
	£1,000+	0.25%	0.20%
PREMIER PLUS CAPITAL ISSUE 1 Three months notice required for withdrawal. Rates also apply to Guaranteed Investment Account Issue 5 and Guaranteed Investment Account Extra Issue 1.	£100,000+	4.60%	3.68%
	£50,000+	4.45%	3.56%
	£25,000+	4.10%	3.28%
	£10,000+	3.65%	2.92%
	£5,000+	3.10%	2.48%
	£2,000+	2.80%	2.24%
	£1,000+	2.65%	2.12%
PREMIER PLUS MONTHLY INCOME Three months notice required for withdrawal, and interest paid monthly.	£100,000+	4.51%	3.60%
	£50,000+	4.36%	3.48%
	£25,000+	4.02%	3.22%
	£10,000+	3.59%	2.87%
	£5,000+	3.06%	2.43%
	£2,000+	2.76%	2.21%
	£1,000+	2.62%	2.09%
PREMIER OPTION BOND Variable Rate Option paying interest six monthly. Issues A, B, C, D, E and F.	£100,000+	5.20%	4.16%
	£50,000+	5.20%	4.16%
	£25,000+	5.00%	4.00%
	£10,000+	4.75%	3.80%
	£5,000+	4.65%	3.72%
	£2,000+	4.55%	3.64%
	£1,000+	4.45%	3.56%
PREMIER TWELVE Fixed and Variable Rate Options paying interest annually.	£100,000+	6.20%	4.96%
	£50,000+	6.20%	4.96%
	£25,000+	6.15%	4.92%
	£10,000+	6.15%	4.92%
	£5,000+	6.15%	4.92%
	£2,000+	6.15%	4.92%
	£1,000+	6.15%	4.92%
PREMIER TWELVE Fixed and Variable Rate Options paying interest monthly.	£100,000+	6.03%	4.82%
	£50,000+	6.03%	4.82%
	£25,000+	5.98%	4.78%
	£10,000+	5.98%	4.78%
	£5,000+	5.98%	4.78%
	£2,000+	5.98%	4.78%
	£1,000+	5.98%	4.78%
ONE YEAR OPTION BOND DEPOSIT Fixed (Issue 2) and Variable (Issue 1) Rate Options paying interest annually.	£100,000+	6.20%	4.96%
	£50,000+	6.20%	4.96%
	£25,000+	6.15%	4.92%
	£10,000+	6.15%	4.92%
	£5,000+	6.15%	4.92%
	£2,000+	6.15%	4.92%
	£1,000+	6.15%	4.92%
ONE YEAR OPTION BOND DEPOSIT Fixed (Issue 2) and Variable (Issue 1) Rate Options paying interest monthly.	£100,000+	6.03%	4.82%
	£50,000+	6.03%	4.82%
	£25,000+	5.98%	4.78%
	£10,000+	5.98%	4.78%
	£5,000+	5.98%	4.78%
	£2,000+	5.98%	4.78%
	£1,000+	5.98%	4.78%
SELECT (No longer available)	£50,000+	2.55%	2.04%
	£25,000+	2.45%	1.96%
	£10,000+	2.15%	1.72%
	£5,000+	1.65%	1.32%
	£2,000+	1.15%	0.92%
	£1,000+	0.25%	0.20%
	£1+	0.20%	0.16%

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BALMORAL HIGH INTEREST ACCOUNT (No longer available) (Also Balmoral Fixed Rate Bond Issue 1 and II and Balmoral Limited Edition Bond)	£100,000+ £50,000+ £25,000+ £10,000+ £2,000+	4.40% 4.25% 4.20% 3.90% 3.05%	3.52% 3.40% 3.36% 3.12% 2.44%
BALMORAL MONTHLY INCOME ACCOUNT (No longer available) (Also Balmoral Limited Edition Bond Monthly Income)	£100,000+ £50,000+ £25,000+ £10,000+ £2,000+	4.31% 4.17% 4.12% 3.83% 3.01%	3.45% 3.34% 3.30% 3.07% 2.41%

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The Society is introducing revised Terms & Conditions to take effect from 15th May 1996. The purpose of this is to make Terms & Conditions easier for you to understand, and to clarify the circumstances in which future changes to Terms & Conditions may be made and when interest rates may be varied. A copy of the revised Terms & Conditions is available from any of the Society's branches or from Head Office.

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bring; i.e., when

In the Seventies, when the design brief was drawn up, the security authorities were reluctant to have fire sprinklers in the building because they were afraid of the damage that could be caused to books if they went off accidentally. But the Department of the Environment and Greater London Council both insisted on a fire protection system, so "dry" sprinklers, where water does not enter the pipes until it is confirmed as opposed to "wet" where water remains permanently in the piping, were introduced.

A consultant hired by the Government advised that the system was flawed because too much emphasis was being placed on accidental damage to books rather than the risks of fire, the volume of water was great enough to put out a fire in the huge storage area and it was complex to use. The main risk, if fire not being extinguished in time, the "dry" system was converted to a "wet" system, and drier-type sprinklers and better pumps and valves were ordered to be installed.

Shelving

[illegible]

that have over-un like the recent additions to Lord's cricket ground and the Channel tunnel.

Former site-workers speak in awestruck terms of the things they have seen and been asked to do. Yards of tiles were brought down because one was out of line — "by the width of a five penny piece", said a site engineer. Hand-made bricks that did not quite meet the exacting quality standards received the same treatment. Miles of electrical cables were ripped out because their outer casings were the wrong colour — even though they would eventually be housed in boxes and not be seen.

A hundred cabling boxes costing £1,000 each were bought, found to be unnecessary and were eventually tucked away under the floorboards.

The \$400,000 corridor linking the book loading bay and the library was replaced because the mortar did not exactly match the design specification. About 27,000 slates were ordered for the roof and rejected because the quality control team was not happy with their natural markings. That meant someone had to sort through another 100,000 slates.

mechanical shelving system, has proved to be a nightmare in itself (see box above).

The reasons for this débâcle are harder to fathom. The library is a large and complex project. The people in charge of designing and build-

The catalogue of mistakes that has bedevilled the library is impressive even by the standards of other large projects

give it more control and flexibility.

The system has turned into a nightmare. The first problem was that there was little expertise in operating it. As the NAO report says: "There was little experience in the UK building industry and even less in central government of the 'construction management' approach."

Cost increases were agreed as the project went along. Power was delegated by Whitehall to the project director and his superintending officer. As problems arose, they waved them through this system of 'reactive budgeting', notes the NAO, left the department in a difficult position to challenge their decisions.

Fatally, this rarely-followed approach was accompanied by a lack of systematic quality control. These were, says the NAO, "inadequate prior to 1991". Checks on the quality of the work as it progressed were

The recipe for disaster was finished off by the library managers' desire to construct a building of a standard well above the public norm, and an absence of incentives for getting the job done on time. The managers spotted faults that in many such projects would be ignored.

One group that will benefit greatly from the debacle will be lawyers, who will be kept busy by a string of disputes over contractual claims and counter claims. Readers will be marginally better off. The new building will only bump up their number by between 10 and 19 per cent. The capacity of the new science and oriental reading rooms, notes the NAO, will "be exceeded at or shortly after opening". It may be time to start planning a new library. If we start now it might be operational by the year 2020.

1982: Building work begins.

1988: Ministers set cash limit of £300m for first phase, due to be completed in 1993; contracts awarded to install mechanical bookshelves and electrical cabling.

1990: Further £150m is agreed to take library to completion.

1991: Faults discovered with shelving system. First National Audit Office report: Handover of basement by contractors postponed because of problems with shelving.

1992: Problems with cabling revealed, contractors begin to fix it out and start again.

1993: Conson uncovered in pipes feeding sprinkler system, five expert reports commissioned to solve problem.

1994: Specification of sprinkler system completely changed, with new sprinkler heads, new pumps and valves. National Heritage select committee examines project. Department considers abandoning building completely but decides to award more cash. Cost goes up to £496m. Project director transferred to other duties.

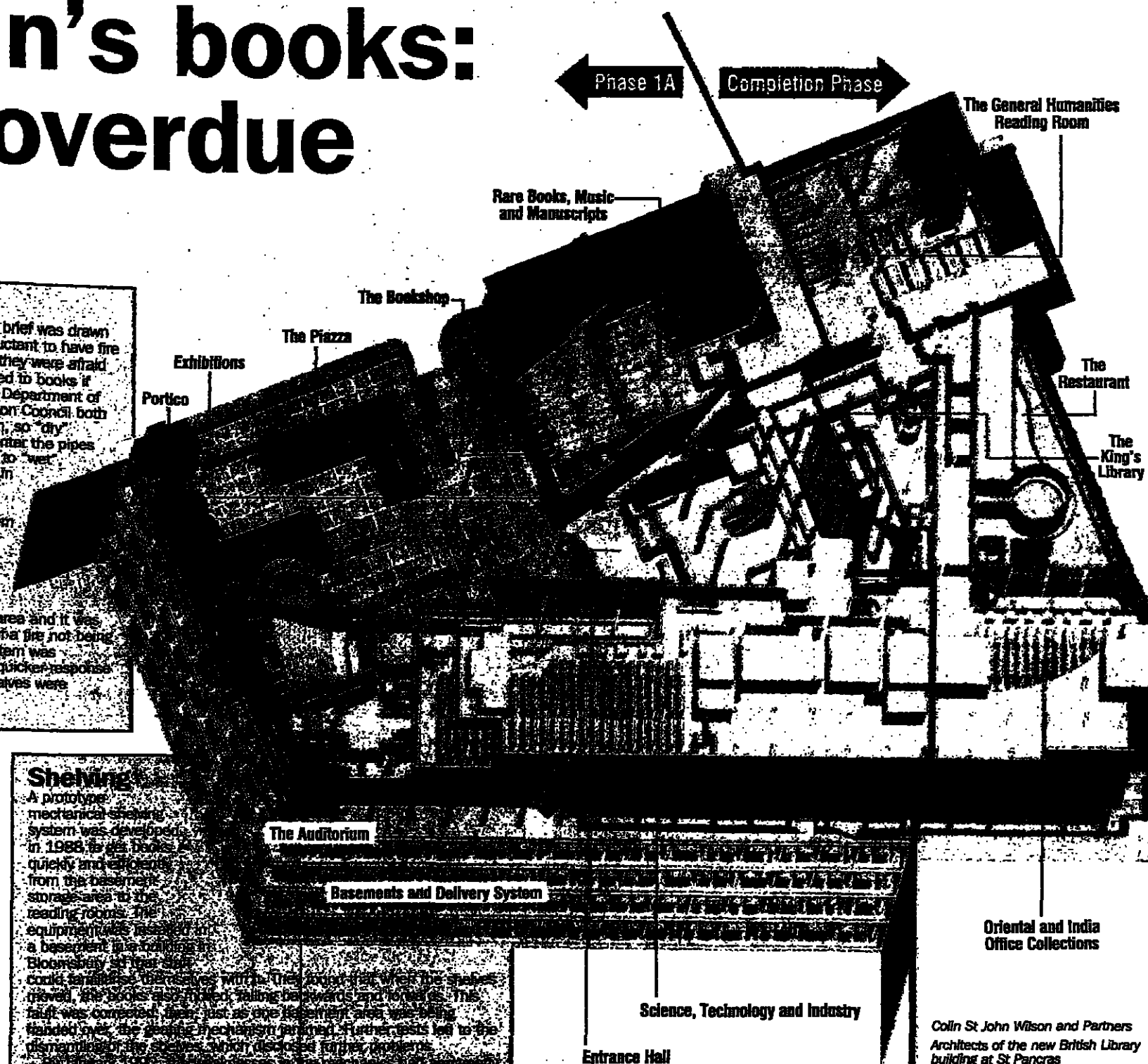
1995: First phase completed.

1996: All money on project has been committed, including reserve to cover legal claims. Books to start moving in during November.

1997: Library due to open to readers in November.

More than 3,000 km of low-voltage cables in metal casing were installed from 1986. An inspection by the contractor revealed a range of faults, from discoloring to nicks and damaged insulation. External consultants declared that the cables were unsafe. Engineers blamed the damage on fitters who they pulled them around the casing during installation. Contractors began an inch-by-inch going and repairing damaged wires in independent expert.

Putting in circuit-breakers to isolate cables producing faults. The circuit-breakers were scarce. Only 60 per cent of the cabling because ceilings would have had to examine the rest, adding to the project by seven months.



of South:

President Chirac of France (below) will today address members of both the Commons and the Lords in the Royal Gallery at Westminster. He will take a blinkered approach, look straight ahead and not give a sideways glance at the artwork. If he does look around, this is not what he will see: a massive 45th by 12ft picture by the Victorian artist Daniel Maclise of

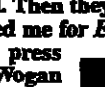
me *Trainspotting* was the one to see." There was I, thinking that ministers, civil servants, the British Film Institute et al got together to decide these things. I am delighted to learn that it's all down to family values after all.

Rob Jones, the Liverpool and England full-back, was one of the footballers who had poems published in a new book to raise money for charity. His poem, entitled "Don't Give Up On Your Dreams", exhorts us: "So the moral of this tale/ Never think you will fail/ Your dream can come true/ Whatever it is you want

Et Tu Terry? With criticising the BBC now seemingly *de rigueur* in the *Radio Times*, Mr Eurovision Song Contest himself has decided to give his pay masters *nul points*. Terry Wogan (right), no less, shoots from the hip in the new issue, as he describes the ending of his chat show. "I wanted to give it up a year

before I did, in 1992," he says, "but the BBC refused. Then they sold me short and sacrificed me for *Eldorado*, which allowed me to say 'Vegan snaf.' I felt peeved by the insensitivity – no, incompetence – with which it was handled. But what kind of fool am I to expect competence from a huge monolith?"

So ... buy the *Radio Times* and read all about those "stupidifying" programmes put out by the incompetent BBC.



The large advertisements being taken out by The International Society of Poets for their Open Amateur Poetry Competition must be bringing dreams of riches to aspiring versifiers. But the more numerate poets might be as unimpressed as I am by their boast that "in recent years the Society has awarded more than £60,000 in prize money to more than 5,000 poets worldwide." I make that an average award of £12. Don't give up the day job just yet.

Beef up the humour

Sir Kenneth Calman, the Government's Chief Medical Officer and the man who starts every conversation with the words "I will continue to eat beef" has added a touch of humour to his armoury. I hear. Addressing a meeting of doctors at the Civil Service College, he announced: "The good news is I can confirm it is safe to eat jelly babies - provided you don't eat the brain or spinal cord. I suppose satire might work. Nothing else has."

A heartwarming response from Virginia Bottomley, the Heritage Secretary, during her visit to the Cannes film festival. Asked why she wasn't supporting the British director Mike Leigh, whose new film *Secrets And Lies* opens on Friday, she replied: "Because my daughter told



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The need to know Chirac

President Chirac is an elusive and contradictory figure. He is also someone the British need to learn to get along with. He has been in office for just over a year. He will occupy the Elysée Palace for another six years and conceivably for another 13, well into the next century. The hopes of Britain playing a more active and constructive role in Europe crucially depend, however, in power in London, on whether Mr Chirac will be open to ideas and debate. Getting a fix on his politics, at home and abroad, is an urgent necessity for the British.

Jacques Chirac is hardly a new figure to us. He was ejected from his first, unhappy spell as Prime Minister of France under President Valéry Giscard d'Estaing 20 years ago. He traces his ideological ancestry to General de Gaulle: an intriguing mixture of nationalism and Europeanism, conservatism and statism. None the less, it is often difficult to define what Mr Chirac stands for. He is not a traditionalist Gaullist: he is a reformer who has taken on some of the fiscal excesses of the French state. Some allege this means he is bringing Thatcherite remedies to France. But that is too simplistic. Such a judgement understates the extent of continuity with previous governments, particularly over European policy, where the Franco-German axis and plans for Economic and Monetary Union still form the central pillars of France's view of Europe.

In many ways it has been a muddled first year in power, in part because Mr Chirac has attempted so much, so quickly. Outside France, the resumption of nuclear tests in the Pacific was seen as an egregious reassertion of an outdated French obsession with strategic power. But the tests performed a domestic-strategic purpose. By establishing his credentials as a guardian of French military interests, they enabled Mr Chirac to push through two startling acts of recognition of French military weakness.

The President took the first step towards reintegrating France in Nato after 30 years outside. Then he ordered the downsizing and professionalisation of the French military. Both had been recognised for years as politically hazardous but essential to France's real security interests. Mr Chirac has accomplished both with minimum domestic protest.

The record on social and economic policy is less straightforward. The street demonstrations of December forced the tearing up of parts of the plan to reform the bankrupt welfare state. The Prime Minister, Alain Juppé, is smuggling the pieces

back into the National Assembly one by one. As a result, the eventual scale of the cuts is difficult to assess, as is their political significance.

The initial decision to go for sharp spending cuts was, in effect, a recommitment to French membership of EMU. Without an assault on social security spending – including health care, in particular – there was no hope of France meeting the criteria for joining a single currency in 1999. The opposition that the plans provoked led many in Britain to believe that Mr Chirac might have to abandon EMU for the sake of keeping the domestic peace. This view – a hope on the part of the Eurosceptics – is misplaced.

By all accounts, Mr Chirac toyed with the idea but decided that the damage to Franco-German relations would be too great. The link between welfare reform and the EMU criteria is not generally accepted in French debate. French officials insist the policy is driven by sound post-Thatcherite economics to reduce the 56 per cent share of the French economy eaten up in the state.

The truth is more modest. Almost all the spending cuts are being directed into reducing the French government deficit, to meet the Maastricht guidelines for EMU membership. Little so far is being used for Thatcher-style tax cuts. Mr Chirac, by all accounts, finds the business of shrinking the welfare state more painful than Mr Juppé, who is a more orthodox post-Thatcher figure. Mr Chirac toiled in the longer run to rechannel middle class welfare payments to deal with the increasingly ugly social problems of the French inner suburbs.

The "certain idea of France" that Mr Chirac talked of during his election campaign seems to come down to a country made powerful and respected abroad and less socially divided at home. Mr Chirac has begun to position France – sometimes painfully, sometimes surprisingly easily – to face the economic and security challenges of the modern world. He aims to achieve this both by using the state and reforming it by shrinking the state's weight and power: reducing the public sector, merging the franc into the euro, ending France's long isolation from Nato. EMU remains an enormous gamble. But there should be no mistaking the continuing centrality of France's relations with Germany for its European policy. It remains to be seen how long Mr Chirac can square what may yet become a circle: to maintain support for a traditional French approach to Europe at the expense of a reformist approach to the state's role at home.

The drugs remedy

Perhaps it was his stepdaughter's admission that she smoked 10 spliffs a day that did it. Or maybe he is simply more mature about such issues than his predecessors and colleagues. Either way, the remarks made by Tony Newton, the Leader of the House, launching the Government's new anti-drugs campaign yesterday, were sensible and welcome.

Mr Newton acknowledged that the screaming scare campaigns of the past did not work. Remember those twisted, tortured teenagers with greasy hair and grubby clothes, beneath the slogan "heroin screws you up"? It's a far cry from the trendy – if sweaty – clubbers who dance all night on Ecstasy. The old advertising campaigns bore so little relation to most young people's attitudes towards cannabis, crack, Ecstasy or amphetamines that it is no surprise they did not change anyone's behaviour.

The old campaigns weren't just out of

touch, they were patronising. The one guaranteed way to make teenagers switch off is to talk down to them. More than anything, teenagers need accurate information about the risks involved in taking drugs, and they need information that they will trust. Yesterday's new pamphlet is aimed particularly at parents. By giving them the facts about symptoms and risks, it gives them the chance to educate their children, and ease their own anxieties.

The rhetoric about drugs from our politicians remains of the old school. The Prime Minister yesterday fulminated about the "evil menace" of drugs. We agree with him that we should not be soft on dangerous drugs. Middle-class, middle-aged people may well feel more righteous to attack drugs in that way. But it should be obvious now that the most effective way to combat drug abuse among teenagers is through information and education, counselling and advice.



'Confess! or we'll put you on the Richard and Judy show!'

LETTERS TO THE EDITOR

Literacy: teachers have an uphill struggle

Sir: Following the critical report by the Office for Standards in Education on the methods employed by teachers to teach children to read in three London boroughs (report, 8 May), I feel the need to stress that blaming teachers is not going to help. Yes, there is a problem of poor literacy and numeracy standards in our schools, but it's much more complicated. It depends on what's happening in the family, whether you are a boy or a girl and where you live, just as much as what happens in school.

What we need to do is to stop blaming everybody else and to come up with new ideas to get teachers, parents and employers to work together to improve the core skills of children at all ages. For example, in south-west London, Aztec is already piloting family literacy schemes in local schools and we also have initiatives aimed specifically at helping 11- to 16-year-olds raise their competence in core skills and improve their career prospects. But we have not done this independently, we have taken the time to meet and discuss what needs to be done and how it can be achieved with people in the local community who are directly affected. This is surely the best way forward.

IAN PARKES
Chief Executive
Aztec (Training and Enterprise Council for SW London)
Kingston-upon-Thames, Surrey

Sir: After over 30 years of teaching in deprived areas in the North-east I find the reports relating to London areas bewildering. It is impossible for disadvantaged children to reach their chronological reading age by seven as they have not been in education for long enough to overcome their early problems. By the age of 11 some socially deprived children, but not all, are recovering from their lack of opportunities, and one hopes that by 14 and 16 many will have succeeded in doing so.

The lack of funding, larger classes and unsympathetic attitude can only add to the problems of these schools.

ELIZABETH GOUNDE
Consett, Co Durham

Unfortunately, the confusion evident here is typical of the confusion which has existed throughout the long-running debate about literacy standards. Proper testing would solve the problem, with results reported in a simple, unambiguous way.

JENNIFER CHEW
Egham, Surrey

Sir: Leo Chapman of the Simplified Spelling Society advocates Cut Spelling to make it easier for children to learn to read and write (letter, 10 May).

We've been here before. The Initial Teaching Alphabet failed because children still had to make the transition to conventional orthography. They would have to do the same with Cut Spelling.

Esperanto was an attempt to create an easy-to-learn lingua franca. Again, this is now a linguistic curiosity. The argument about Italian children learning to read and write in a shorter time than their British counterparts doesn't hold water. Italian may be simpler than English. Japanese is acknowledged as the world's most difficult language, with students still being taught to read and write well into their teens. This hasn't stopped Japan becoming an economic superpower.

If spelling was simplified we would lose contact with our history embodied in the language.

PETER STOKILL
Middlebrough

Facing the age of uncertainty

Sir: Polly Tynbee observes that "retirement is respectable and life is full of enjoyable and useful things to do outside the world of paid work" (13 May) and questions the right of the bulge-baby generation to "have-it-all-for-ever".

I am a bulge baby and have had a moderate amount for most of the time and am not complaining about that. However, to assume that we all have access to "a small income" displays a rather Marie-Antoinette attitude unlike Ms Tynbee's usual standard of comment.

Among my friends, married, divorced, single, with children or otherwise, many are already in insecure or low-paid jobs and giving up work has nothing to do with an unwillingness to give up status, identity or standard of living, but everything to do with keeping a roof over our heads and paying the bills. If we give our jobs to the young we are merely redistributing the work available and transferring to them the responsibility for supporting an ageing population.

Government legislation against "ageism" may make us feel noticed but many of us fear that retirement is a luxury we may never be able to afford.

BRIDGET BODDANO
London SW12

crimination on the grounds of sex, race and disability. After all, persuading employers to retain older workers must affect the number of jobs for the young.

Indeed it must. As must employing women reduce the number of jobs for men, blacks the number of jobs for whites, and the disabled the number of jobs for non-disabled persons. All forms of discrimination are inequities and the only criterion for employing staff should be their ability to do the job.

I wonder how old Polly Tynbee is. If she really believes what she writes, then does she not feel it is perhaps time for her to retire to make way for a younger person? She has had her turn at being young, as she puts it, and "retirement is respectable and life is full of enjoyable and useful things to do outside the world of paid work."

ALAN STEWART
Luton, Bedfordshire

Sir: As a 50-year-old admirer of Joanna Lumley (profile, 11 May), I wonder if it is possible that she has not "above all... triumphed over the menopausal years", but like many of us triumphed during the menopausal years and perhaps even as a consequence of the menopause. And would you make this type of remark about a male actor? I think not. Fifty-something men are not marginalised and seen as batty, scary or a joke.

FRANCES CAMPBELL
Belfast

Rights of handicapped babies

Sir: Your report "Aborted baby lived 45 minutes" (10 May) repeated the common view that choosing to kill a baby by abortion is a tragedy only if the baby is not disabled. The medical director of the NHS trust which carried out the abortion said: "Everyone was so upset it turned out to be healthy."

What message does this send out to those like me who have a severe disability? I have spina bifida, and the vast majority of

babies with my degree of disability are now aborted.

Why would everyone not have been equally upset if the baby had been disabled? The answer lies in our abortion law, which sets the tone for the discrimination disabled people encounter throughout their lives. For if there is no right to life, how can we expect a recognition of any other rights?

ALISON DAVIS
Blandford Forum, Dorset

Legal minefield in rural France

Sir: I read with interest Gerard Gilbert's article on "the French weekend retreat" (4 May) as I know the Seine Maritime region of Normandy well and can well imagine the pleasures of having a weekend bolt-hole in the area. My Monday mornings frequently produce clients hoping to buy in France and as a solicitor I am forced to put my enthusiasm for Calvados to one side and to discuss the best way to structure the property purchase, particularly if, as with Gilbert's case, co-ownership with non-family members is envisaged.

French law is fundamentally different from English law: children of co-owners of French property, whether the co-owners are French or not, have entrenched rights to inherit a proportion of a parent's share of the property and, in the absence of a

carefully prepared agreement to the contrary, a buyer may discover that child number three of his once best mate will have every right to force a sale at any stage. Automatic devolution of the property into the hands of the survivors of the original co-owners can only be achieved by the insertion of a particular clause in the purchase contract, a clause which will often be unfamiliar to the notary with whom the buyer is obliged to deal. Corporate ownership may sometimes help, although the costs of setting up a corporate structure may prove prohibitive in properties of relatively low value.

A can of worms? Ideally (and usually) not, so long as the long-term implications of the venture are thought through.

FIONA RAWES
London EC4

Translators in the courts

Sir: Your article of 8 May, "Lost in translation", rightly highlights the problems of communication across language and culture – "I did, may deny non-English speakers equal access to justice and services. However, since the creation of the National Register of Public Service Interpreters in 1994, users and providers of public services are able to locate qualified and experienced interpreters who are specialised in local government, health care or police and court interpreting. Also, since 1994, colleges throughout the UK provide courses leading to the Diploma in Public Service Interpreting, which the Institute of Linguists awards. The problem is no longer to provide qualified interpreters but to persuade the public services to stop using friends and relatives and to use the national register."

EDDA OSTARIHILL
Chief Executive,
Institute of Linguists
London N5

Liberated Blake

Sir: Probably the best researched interpretation of Blake's "Jerusalem" lines is that which appeared as long ago as 1950 in the book *English Poetry: A Critical Introduction* by my late tutor Dr F W Bateson, of Corpus Christi College, Oxford. Naturally, he considers the verses in their context of the larger work *Milton*. He concludes that "it would seem 'Jerusalem' is sexual liberty" and that "Satan's mills are the altars of the churches, on which the clergy of the 18th century were still plying their deadly Druidic trade."

His final comment is: "The adoption by churches and women's organisations of this anti-clerical poem of free love is amusing evidence of the carelessness with which poetry is read today. Will no one tell them what they sing?"

WILLIAM NICHOLAS
London W6

No hypocrisy please, we're British

The story so far: There is much complaining about the way Members of Parliament receive outside payments that may affect their behaviour as our representatives.

Not to put too fine a point on it, there is a feeling that MPs are not to be trusted.

So MPs decide that in order to get MPs trusted again, MPs will reveal all the relevant payments made to them, and MPs will be trusted to reveal them all.

In due course, the list is published and it turns out that Roy Hattersley is the richest MP in the House. Everyone knows that this is not true, because people like Edward Heath and David Mellor are rolling in consultancy money that they have not declared on the MPs' list of money received.

When taxed with this, Mellor and Heath and other people who are rolling in consultancy money say that they have only declared stuff which is relevant to their role as MPs, and that their other money has nothing at all to do with their role as an MP.

Full the other one, says half of the public – why not resign as MPs and see if those consultancy fees are still



MILES KINGSTON

paid to you on merit after you have left Parliament; so we will know if you were right or not? Otherwise, just declare everything you have got and we will make up our minds whether it is relevant or not.

This does not appeal to Mellor or Heath.

Trust us, they say. But the whole reason that this system was started was precisely because we do not trust MPs, say.

The end result is that:

1. A lot of MPs have declared some of their earnings.

2. Nobody trusts MPs any more than they did before, especially MPs like Mellor, Heath etc.

3. A lot of people trust MPs even less than before.

4. Everyone now feels Roy Hattersley is the only person in Parliament you can have any confidence in.

Meanwhile, everyone abroad is

looking on with amusement at yet another example of British hypocrisy.

I am sorry to have to say this, because it always comes as a shock when we realise that the world regards us as two-faced, or "Perfidia Albion", as the French admirably refer to us.

The British do not like to be thought of as hypocrites, because they have been told from birth that the British are straight dealers and gentlemen, that we believe in fair play, that an Englishman's word is his bond, etc, that it's not cricket etc etc, that we say what we mean and don't beat about the bush, etc etc etc.

Unfortunately, this is a load of undecorated income. The British are so adept at double-dealing and double-thinking that they have even brainwashed themselves into believing they are not so. We say one thing and mean another. We say "We must have lunch one day," and think, "Not if I can help it." We say, "How lovely!" and think "How ghastly!" So when someone tells the truth, we actually get rattled.

If, for instance, someone were to paint a portrait of the Queen at 70 and show her looking like a 70-year-old woman, one would not be surprised if there were an eruption of protest from people who wanted her painted as we would like to think she is, and not as she really is. But nobody

ever raises a protest over the ridiculously idealised picture of the Queen on postage stamps and bank notes, which make her look like some teenager from a 1940s fashion magazine, the concept of which is infinitely more two-faced and double-think than... well, than MPs' undecorated income.

However, none of this will ever be ironed out while the British go on thinking of themselves as the fair and square, honest-dealing nation among all the bribe-taking, dishonest nations. No matter that even Sir Richard Scott is shocked by the way the Government twisted the meaning of what he had to say in the Scott report.

No matter that we have wholeheartedly adopted a new profession that actually sets out to be two-faced and hypocritical, called spin-doctoring.

No matter that Prime Minister's Question Time is called Prime Minister's Question Time for the very good reason that all you get is questions and no answers.

No matter that behind the net-curtained facade of New Labour, Gordon Brown and Peter Mandelson are said not even to be on speaking terms.

After all, life in Britain today is only a soap opera and we are the viewers, is that not so?

Now read on...

سكنا من الاصل

comment

Fast forward to the digital revolution

Multi-channelling is a welcome prospect if it frees us from the tyranny of the programme controller

The Biggest and Busiest-Ever Sizzling Summer of Sport! boasts BBC publicity. Terrific. Seven hundred hours of airtime and £125m of men and balls. Euro 96 football hits the screen on 8 June, to be followed by 300 hours of the Olympics starting in July. ITV will be screening some of Euro 96 live at the same time. Wonderful.

"This extraordinarily rich summer," the BBC boasts, will include: men in cars in the British Grand Prix; men with bats in two test match series; men on horses at Goodwood and Ascot and men with clubs at the golf Open, as well as Wimbledon.

What is going on here? Sport is taking over the nation in quite a new way, seeping into the interstices of every aspect of national consciousness. Even those who are bored by men and balls cannot help but recognise Ruud Gulit or Gary Lineker, however much they wish they didn't. Does sport increasingly stand as a substitute for everything missing from real life? Excitement, engagement, loyalty, passion, heroes, bold extremities of human endeavour?

Or is it just the latest product in the mass entertainment industry to be given the full promotional treatment? Sport used to be raw, rugged and dignified. Now it has become part of the pop industry. In the old days young boys crowded around for soccer stars' autographs, but now it is the pre-teen girls who go to scream at Ryan Giggs as they would at Oasis.

Soccer has become sexualised as never before. Who ever thought of screaming at Danny Blanchflower or Stanley Matthews in their long baggy

shorts? When Oasis and Blur took to the football field this week, screamed at by hordes of young girls, it marked a merging of the two worlds - pop stars who want to be soccer stars and vice versa. The packaging is everything. The soccer stars of Newcastle and Liverpool now regularly take to the catwalks in fashion shows, their beautiful bodies an asset as precious as their footballing feet.

When there is no sport on, light entertainment steps in to fill the breach with an ever-burgeoning strand of proxy sport shows from *Fantasy Football* to *Question of Sport*. Sports stars, however dim and inarticulate, now adorn celebrity spots of every kind - know what I mean?

Professor Laurie Taylor, a media sociologist, observes that sports commentators these days delve deeper than ever into the psychology of the players. "They've got their cameras up their noses," he says. "It's all one long extended psychoanalysis, all through a tennis match, or a snooker tournament." It turns matches into soap-operas. But why is sport growing in popularity and consuming everything else? He suggests sport is raw reality out there on the field in a world where everything else on television is a concoction of synthetic emotions.

But is it "genuine"? To those who are not fans, sport looks like the ultimate artifice - groups of grown men paid large sums of money to exert all that energy in pursuit of something entirely meaningless.

Be that as it may, however, plainly a very great number of people (mainly, but not entirely, men) want to watch this stuff. Another large number of



POLLY TOYNEEBE

Sport used to be rugged and dignified. Now it's part of the pop industry

people (mainly, but not entirely, women) would rather not. But programme controllers are men, to a man, and these days they claim a lot of women do like sport, really. Or at least many do like sport, according to the ratings. But other research shows that the remote control in the household is almost invariably under the hand of the male in the room - the programme controller in every sitting room - so it only adds insult to injury to include in the ratings all those women obliged to watch against their will.

This gender separation of tastes means that no sooner does the BBC launch its sporting schedule with great razzamatazz, glowing over its undoubted prowess in sports coverage this summer than it gets hit by a backlash of angry women and others: "Soaps get the boot from saturation sport" blasts the *Daily Mail*, complaining that soaps, and even the 9 O'clock News will be displaced by live sport fix-

tures. "This is not what we pay the licence fee for," protests the Rev Graham Stevens, chairman of the National Viewers and Listeners' Association.

Channel 4 glows smugly in anticipation of scooping up the soccer refugees. John Willis Director of Programmes, says apart from half an hour a day of men on bikes - the *Tour de France* - "We shall be targeting an audience not interested in kicking pigs' bladders into nets - which we assume will be mainly women." OK, so what do women like? "Big musicals like *Oklaoma* and *Showboat*. A series called the *Celluloid Closet*, a season about gays and lesbians on the Hollywood screen, plus gay icons of *Coronation Street*. And *Gender Quake*, about men being neutered by women ruling the world." Well, well.

The truth is, television is bursting at the seams. It is now exceedingly difficult to please enough of the people enough of the time. Last week's unfolding of the digital future by the BBC gave us a glimpse of an entirely new world of possibilities, with a plethora of services and stations. The BBC and commercial digital services will be up and running as early as autumn next year. Before long every viewer will become their own programme controller, with news, sport, films, live and library services on tap. Separate 24-hour stations will offer us Parliament live, music, BBC classic comedy, BBC World News, arts programmes and any programme you ever missed on high-definition screens with CD quality sound.

This week's unveiling of the all-sport summer schedule shows the sceptical just why all that is needed.

More affluent, more specialised, more demanding, more sophisticated and more quarrelsome audiences want a myriad things. We are no longer the same people who sat down together as a nation obediently watching *Sunday Night at the London Palladium* - and lumping it.

During the passing of the Broadcasting Bill which lays out the legal framework for this extraordinary new digital world, the Lords rebelled. Was it to insert stronger guarantees of quality, to deter a world of 500 stations of trash or to ensure that all domestic satellite services be obliged to carry the BBC as well? No. The only thing that really ignited public debate was sport - again. The Lords said that the "Crown Jewels" of television should be preserved for terrestrial channels for ever. What did they regard as sacrosanct? Eight sporting events. And with that they satisfied themselves that the future of British broadcasting was safe. Phew!

The significance of the imminent digital revolution is largely passing our legislators unheeded. Some commentators fear wall-to-wall rubbish, others celebrate the prospect of the best always on offer. Some worry if any one station can assemble enough viewers to fund good programmes. The best guess is that big audiences will still gather around high-quality programmes, and the BBC will still be the sheet anchor guaranteeing the uniquely high-quality of British television.

This long hot summer of "sizzling sport" will stand as a reminder of why we need digital broadcasting - freed from the hegemony of the programme controller for ever.

When it is right to destroy nature

Nicholas Schoon argues that we should not try to conserve every plant and animal species

One of Britain's rarest fungi is found only in the dung of New Forest ponies. Several colleagues greeted this information with derision when my little article about plans to conserve this species, the nail fungus, appeared in Monday's *Independent*. Why bother? It is a fair question: today the Government publishes plans to conserve the diversity of Britain's plants and animal species.

Most of us can feel quite passionate about the harm that humanity's persecution or recklessness has done to the charismatic otter, red squirrel or golden eagle. But who, beyond a few dozen specialists in museums and university biology departments, really cares about the hundreds of small, utterly obscure plant and animal species in Britain which are declining or are endangered because of our activities? Why should we make sacrifices or spend money on their behalf?

If you believe in a divine Creation, then answers are easy. We have no right to wipe out what God made. If you are an atheist, you can argue that we have a powerful self-interest in slowing the great wave of man-made extinctions now gathering pace all over the world. You would say that we have discovered thousands of useful products such as drugs and food additives in wild species, and, of course, all our farm animals and crops come from the wild. We continue to find new uses for species or chemicals within them - why damn this stream by wiping them out?

But for me, all the best arguments are moral and aesthetic ones. Many greens talk about the billions of species on earth living in harmony in the great web of life, and the planetary dangers of upsetting a fragile balance. This is actually unscientific bunkum: the *Lion King* view of nature. A genuine ecologist will tell you that ecosystems are in constant flux rather than balance. While species can have extraordinarily complex and co-operative relationships, for the most part their interactions are utterly ruthless and consist of eating or being eaten.

Nature seems very careless with its own. For the billions of years during which life on earth has existed, individual species have been continuously disappearing. Existing species or entirely new ones soon take their place. But there is enormous creativity and complexity emerging from the ceaseless struggle - you only have to find out a little about a coral reef, a mangrove swamp or an ancient

European woodland to understand this. Environmentalists say the destruction of any species by mankind is equivalent to burning a precious, ancient book in a vast library. Wiping out an ecosystem is akin to demolishing a medieval cathedral.

These are powerful images, but I cannot see any connection. Wild habitats and the mind-boggling diversity of species in the sea, on the land and in the air (there are tens of thousands in Britain alone) were created by blind, utterly impersonal forces such as changes in climate, earlier mass extinctions and evolution.

Even so, the most rudimentary understanding of the

Why should red squirrels or golden eagles get all the attention?

processes involved leads you straight to the realisation that each species is special, however boring, ugly and even unpleasant it may appear to us. It has its own uniqueness, its own place, its own history, which is of a different order to the boring, trivial uniqueness of each separate grain of sand on a beach. Once you accept that, the fluffy animal approach to wildlife conservation seems barbaric, irrational. Why should red squirrels and golden eagles and beautiful butterflies get all the attention merely because a majority of humans think they are cute?

If we are rational and care to understand the natural world we unceasingly live in, then every wild being threatened by mankind's economic and population growth deserves equal conservation efforts from us, including the lowly nail fungus.

There are exceptions - species such as snailpox and the tsetse fly which cause serious suffering and death to people. We have the right to eliminate those entirely, provided that in doing so we do not endanger entire ecosystems and ourselves (which is what happened with DDT).

If every species is unique and of equal value, what gives us that right? Two reasons. Homo sapiens is by far the most interesting and important species on the planet - like it or not we are lords of nature. And in choosing to wage war on our natural enemies, we are only playing by nature's own rules.

The Westminster malaise

Labour's plans to reform the House of Commons are insufficient, says Vernon Bogdanor

Traditionally, the British Left has been more concerned to capture the state than to reform it. Labour, upon winning power, used it to push through top-down reforms in welfare, planning and nationalisation. These reforms were not, however, accompanied by any programme designed to secure public control or accountability to the new institutions created to administer Labour's programmes. This lack of accountability constitutes perhaps one reason why so many of the reforms failed to realise the hopes placed in them.

Under Tony Blair's leadership, however, Labour has departed radically from this part of its heritage, and has developed a bold and wide-ranging programme of constitutional reform to include devolution, reform of the House of Lords and a referendum on electoral reform. The latest part of this programme - reform of the House of Commons - was revealed yesterday at a meeting organised by Charter 88. It is badly needed.

For the decline in public approval for the House of Commons has been precipitous. Just five years ago, a MORI poll indicated that 59 per cent of the public believed that the Commons worked well. Today, the figure is only 43 per cent. It is not that the Commons is necessarily less efficient or more corrupt than it was, but rather that public expectations have risen apace. Just as the public demands more from welfare services than it did in the more deferential past, so also, in a consumerist age, the public expects more from Parliament. Therein lies the challenge to the modern state.

Yesterday, Tony Blair attacked the ritual of Prime Minister's Question Time, the only aspect of Commons activity seen by the vast majority of the public. The futility of this twice-weekly charade is not only destroying respect for the Commons as an institution, but the adversarialism which it symbolises prevents the Commons from fulfilling its central duty, that of scrutinising legislation. Standing committees, in reality designed to do just that, are in reality mere ad hoc debating committees within which Second Reading speeches are repeated at tedious length interspersed with the reading



Turning up the heat: the Commons chamber before the fire of 1834. Labour's reforms will not work unless the electoral system is changed first
Bridgeman Art Library/British Library/T. Rowlandson

of well-rehearsed briefs helpfully supplied by interested organisations.

Part of the problem is that the forensic and investigatory procedures of the Commons are confined to the departmentally related select committees, which are precluded from considering legislation. The standing committees, by contrast, are controlled by the whips; they are unable to summon witnesses to comment on the merits of the legislation that they are scrutinising, or to investigate the adequacy of the reasons given for proposed new legislation. Nor can they monitor whether legislation, once put on the statute book, is working as intended.

Labour now proposes not only a dramatic increase in the power of the select committees but also a fundamental change in their functioning. They should be used, declared Ann Taylor, Labour's spokesperson on parliamentary matters, to examine the

proposed chairs of agencies and quangos and to ratify senior public appointments, such as the Governor of the Bank of England.

More radically, they should be able to conduct pre-legislative inquiries

The dominance of the party whips lies at the heart of the problem

with the aid of witnesses into proposed legislation. They could, for example, examine Green and White Papers and other published material, so assisting preparatory work on legislation and informed parliamentary debate. It is doubtful if the poll tax, for example, or the child support leg-

islation would have survived scrutiny of this kind.

Ann Taylor admitted that such a reform would considerably prolong the time taken to steer legislation to the statute book. It would thereby handicap the parliamentary programme of a Labour government. To balance this, the opposition would be required to accept, as part of a package of reform, the timetabling of bills and it would have to be prepared to allow bills to be rolled over from one parliamentary session to another, rather than, as at present, being killed at the end of a session. In fact, such a package would be much to the advantage of the Opposition. For the power of delay has proved to be a largely spurious power. It has not in practice prevented most governments from achieving their legislative programme.

The power to call witnesses before select committees hearings on legislation, by contrast, is a much more substantial power and likely to redound to the advantage of the opposition parties.

There is, however, a deeper problem with Labour's proposals. Hitherto, the select committees have operated best when they have operated consensually. Were they to become involved in scrutinising a government's legislative programme, the whips would soon turn their attention to them. Ann Cwyd suggested at yesterday's meeting that back-benchers rather than the whips should determine select committee membership. But that is probably a Utopian hope.

It is indeed the dominance of the party whips which lies at the heart of the Westminster malaise. How is it to be ended? Can the adversarial system in the Commons be destroyed without also destroying the electoral system that produces it? At present there is a spectrum of opinion in the country and in the Commons which finds itself artificially channelled into just two hostile camps by the vagaries of first past the post. Under proportional representation, by contrast, political opinion could flow naturally into its various channels, and the select committees could prove genuinely representative of the multiplicity of political viewpoints in the country.

Thus the deepest question raised by Labour's proposed parliamentary reforms is whether they can in fact be implemented in a political system that remains fundamentally adversarial. Seen in this light, it is reform of the political system which is the essential precondition of a more effective Parliament. The referendum on proportional representation lies, therefore, at the heart of Labour's programme of reform. Such a referendum should be held not in the last session of a Labour government's term, as is now proposed, but in the very first. For it is the seriousness of the commitment to electoral reform that will prove the test of Labour's commitment to its newfound role as a party of constitutional reform.

Vernon Bogdanor is Reader in Government, Oxford University. His essays on 'Politics and the Constitution' have been recently published by Dartmouth.

Dorrell must decide what he wants from doctors

It is unrealistic to expect GPs to be both managers and clinicians, writes Alan Maynard

Just what do we want in primary care? Government policy is incoherent and the profession, represented by the strongest of trade unions, the British Medical Association, doesn't know whether it is coming or going.

The Government likes the idea of general practice fundholding. It has given generous budgets to successive waves of fundholders, resulting in over 50 per cent of the population being covered by them. This massive experiment has not been evaluated. Kenneth Clarke, then the Secretary of State for Health, rejected evaluation as unnecessary because, like his colleague, Mrs Thatcher, he did not wish to be "confused by facts". As a result, the lessons of fundholding are difficult to learn. Initial studies showed that fundholders appeared to prescribe less in the early years. However, more recent follow-up shows that these effects have disappeared and fundholders are similar to non-fundholders in drug expenditure.

For effective fundholding, management must be excellent to ensure vigorous and cost-effective purchasing of hospital services. However, GPs have been trained as generalists, the "gatekeepers" who treat 95 per cent of illness in the com-

munity and, on a good day, restrict over-use of hospitals. GPs have not been trained as managers of complex fundholding organisations working to complex budgets in a competitive environment.

It is on this managerial weakness that next week's Audit Commission report will, according to leaks, focus. Fundholding has reversed power relationships. As the joke goes, GPs used to send consultants Christmas cards to get their patients up the waiting list. Now hospital consultants send GP fundholders Christmas cards to ensure they get business.

Fundholders, particularly the initial waves, were well funded and NHS trusts, strapped for cash, gave precedence to the patients of fundholders. This has been covert in some areas, but in the tightly funded NHS of 1996-97, it will become much clearer: cash will produce care. This differential access to hospital care is replacing the access inequalities of the pre-reform NHS where consultants called the tune and decided - according to disparate, incoherent and unaccountable criteria - who got access.

While the Government wants GPs to be managers, they also want them to become semi-

specialists. Politicians of all parties advocate a "primary care-led NHS". This notion is vague and relatively untouched by human thought, let alone evidence. Draft NHS circulars envisage many hospital procedures being moved out into the community and primary care.

This movement will be expedited by money: as Kenneth Clarke noted during the NHS reform process, if you rattle the GPs' wallets, they are very attentive. The 1990 GP contract offered fees for minor surgery to cut down hospital "lumps and bumps" work. That work has continued, but GPs now do lots of surgery (for money) which is sometimes deficient (eg, the partial removal of cancerous lumps is not good practice).

If local NHS purchasers are to pay GPs fees for more hospital work, can quality be maintained? Quality can only be achieved if GPs and nurse practitioners are well trained and well managed. Again, management is central. The management costs of the NHS are relatively modest and the quality of management remains uneven. The Secretary of State for Health, Stephen Dorrell, in his reduction of expenditure on "grey suits", ensures that the management

of an NHS budget of £40bn is inadequate. The paradox of primary care is that everyone loves it but no one evaluates it and the Government is confused in its policies. Does it want GPs to be managers? If so, they need training, in which case the question is: who will do their clinical work? Does the Government want GPs to be semi-specialists rather than generalists? If so, please train them and manage them and their support staff so that they do not damage patient health.

Perhaps the appropriate role for GPs should be as the generalist filter of the chaff of human suffering, whose job it is to identify the rare acute form of illness in their populations and transfer them rapidly to secondary care. Whatever their tasks, it is necessary to monitor and evaluate primary care so that policies like fundholding produce knowledge to facilitate our avoidance of the charms of the next untested panacea adopted by politicians.

The writer is secretary of the Nuffield Provincial Hospitals Trust for research and policy studies in health services.

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BTR leads British moves against works councils

BARRIE CLEMENT
Labour Editor

Some of Britain's biggest conglomerates are secretly plotting to undermine the power of European works councils, a document leaked to the *Independent* reveals.

Directors at BTR have decided that a single council for the whole company would be "large, complex and irrelevant other than to some politically-motivated union groups." Under European law the council is designed to act as a forum for consulting and informing employees over strategy.

Minutes of a meeting held at Windsor disclose BTR management's belief that such a body would also be "difficult to manage and control and would be inviting groups together whom we would want to keep apart." The document says that information will be exchanged at a meeting with other like-minded organisations such as Hanson, Tomkins, American Brands and Cookson. Some of the companies are identified with the secretive European Works Council Study Group, which is made up largely of conglomerates keen to minimise the impact of the legislation.

At the BTR meeting, held on 14 November last year, directors opted for a "simple and minimalist" approach, with works councils established to cover "product groupings" on an individual site basis. The conglomerate is made up of five main commercial interests: industrial products, transport, construction, electrical systems and consumer products. The legal obligation to provide "transnational information" would be catered for by the attendance at the meetings once a year by a representative of the BTR parent group.

All companies with 1,000 employees in European Union countries, with 150 in each of two member states, must set up a works council. They are able to establish a structure on a voluntary basis until 22 September, after which it will be strictly circumscribed by a European directive. Britain's opt-out from the social chapter of the Maastricht Treaty does not exempt UK-based multinationals from the law, but allows companies to exclude UK workers. None has so far registered its intention to do so.

The TUC was dismayed by the contents of the BTR document. Nick Clark, the TUC's works council specialist, argued that many companies had been far more positive about the legislation in order to tailor the structure to accommodate both the needs of the business and the aspirations of the workforce.

He accused BTR and other conglomerates of operating "by stealth". He said: "The attitude seems to undermine the intention of the directive and subvert its spirit. What have they got to hide? What are they afraid their workers will find out?"

Railtrack heads for price tag of £1.95bn

PETER RODGERS
Business Editor

Railtrack was last night heading for a £1.95bn price tag, at the top of the estimated range, as it emerged that more than £6bn is chasing the institutional share allocations.

The offer to pension funds, insurance companies and other professional investment institutions is well over four times subscribed, City sources said.

The institutions are to be allocated up to 70 per cent of the shares and the others they have made are believed to be at the top of the 350p-380p range.

It is the institutional offers that will set the price on Friday, and private investors will pay 10p less a share.

The number of private investor applications for the retail offer is also thought to have passed 200,000 by the end of last week, several working days ahead of the close at noon today. The retail offer is believed to be oversubscribed on the basis of the number of applications already in.

But it was not clear last night whether there would be a big enough rush in the closing stages to allow the Government to increase substantially the proportion going to private investors from the minimum 30 per cent. The public success of the issue is likely to be measured by how far the retail offer is increased above 30 per cent, with a proportion of more than 40 per cent widely seen as the target.

However, City sources predicted a last-minute surge as share shops send in their final batches of applications. Almost 2 million investors registered for the offer, and on past experience the Government would be disappointed if less than 30 per cent of these - 600,000 - turned into formal applications. There have been fears that the row over plans for price cuts announced by British Gas's regulator on Monday will deter investors in Railtrack, which is also a regulated utility.

If this row does have an impact, it is likely to show up in the pace of last-minute applications yesterday and this morning.

The argument between British Gas and its regulator was over how to value the assets of the company. But Railtrack's regulator last year abandoned the idea of setting charges on the basis of return on assets - as used by the gas regulator - and instead set them at levels that "would not make it unduly difficult for Railtrack to finance its activities," according to the prospectus.

PowerGen set to reward investors with share buyback

MICHAEL HARRISON

PowerGen is today expected to announce plans to reward investors with a share buyback following the £353 disposal yesterday of its 21 per cent stake in Midlands Electricity to the two US utilities buying the company.

The generator, whose own bid for Midlands was controversially blocked by the President of the Board of Trade Ian Lang three weeks ago, is also expected to confirm that it has decided not to seek a judicial review of the decision.

PowerGen has the authority to buy back up to 10 per cent of its share capital - a move that would cost just under £400m. The market had been expecting the company to set out how it planned to benefit shareholders following the collapse of the bid for Midlands and had pencilled in a buyback, special dividend or accelerated dividend policy.

Today's announcement is also expected to contain news of an acceleration in Power-

Gen's dividend policy and will coincide with the publication of the company's 1995 results which have been brought forward by a week.

The market is looking for pre-tax profits of between £580m and £605m and a further cut in dividend cover. Last year the dividend was covered 3.3 times by earnings and PowerGen said its intention was to reduce cover to between 2.5 and 2.7 times "in the coming years". Analysts are hopeful that PowerGen will be able to reduce cover at a quicker rate than indicated.

The timing and size of a share buyback will depend on market conditions and price and is not expected to take place immediately. The sale of the Midlands stake will net PowerGen a profit of £69m and raise the holding of Avon Energy Partners - a joint venture between General Public Utilities and Cinergy - to just under 29 per cent.

This removes the threat of a rival stepping in, and buying up PowerGen's stake to mount a

contested bid. A spokesman for the two US utilities welcomed the move which makes it almost certain that the £1.7bn offer - which is already agreed - will go through successfully.

PowerGen's legal advice appears to have been that it had a strong and credible but not overwhelming case for a judicial review of the Lang decision. However, when the American bid materialised at a price which PowerGen would not have been prepared to match even if the courts had ruled in its favour, it felt it had little option but to sell its stake.

Proceeding with a judicial review in those circumstances would, it appears, have stretched credibility. There is unlikely to be any firm news today, however, on whether or not PowerGen will go ahead with the £370m sale of two power stations to the Hanson-owned Eastern Energy.

PowerGen put the plant disposal on hold when its bid for Midlands was blocked, fearing that otherwise it would be facing increased competition in the generating market at the same



Ed Wallis, chairman of PowerGen, is expected to argue that he does not have regulatory certainty over plant disposal

time as being held back from competing in supply.

Ed Wallis, PowerGen's chairman, is expected to argue that it does not yet have the regulatory certainty it would like in return for disposing of the plant - a move that would reduce earnings by 2-3 per cent.

The electricity regulator, Professor Stephen Littlechild, has warned that he may refer PowerGen to the Monopolies and Mergers Commission if the plant disposal does not go ahead.

National Power, whose bid for Southern Electric was also

blocked by Mr Lang, is also expected to announce a shareholder incentive package when it produces its annual results later this month.

There had been speculation that it could reward investors with a package of special dividends, share-buy backs and en-

hanced dividends worth up to £2bn.

However, the decision of Mr Lang also to retain the Government's golden shares in the two generators, making them bid-proof, has reduced the need to maintain shareholder loyalty with exorbitant payouts.

Allied bosses warned to stop rot in profits

TOM STEVENSON
City Editor

Allied Domecq's new chairman Sir Christopher Hogg has given the spirits to pubs group's senior management a stark ultimatum: improve profits at what has been one of the FTSE 100's worst performers or face the consequences.

Tony Hales, chief executive, underlined the pressure being placed on them by Sir Christopher, saying: "We have no illusions that a return to earnings growth is the priority, and that this management team will be judged on that basis. We are determined that our strategy should deliver sustainable profits recovery."

He was speaking as Allied confirmed the profits warning it made at February's annual meeting, its second gloomy trading statement in little over half a year. Profits in the six months to February tumbled 24 per cent to £317m (£416m), thanks mainly to a slump in profits at the group's spirits and wine operation.

Despite plenty of warning, the shares slipped another 5p to 497p as the City digested a dividend of 9.44p for the six month period and the broad hint that the payout would remain largely unchanged at about 23.6p for the full year to August.

Attention was firmly focused on Sir Christopher's strategy for the future. Great faith has been placed by investors in his ability

to reverse the underperformance of Allied's shares in recent years with expectations aroused that he would replicate the successful demerger of Courtauld from its textiles arm.

Investors have questioned for some time the logic of combining a global spirits marketing operation with a retailing division that takes in UK pubs and American food outlets such as Baskin Robbins and Dunkin Donuts and advocates of a demerger have put a value of up to 670p a share on the break up.

Sir Christopher refused to be drawn, saying only that demerger was always an option that a "responsible management" would consider. He also played down the danger to senior management jobs, saying: "I am very much in support of what management is doing to make Allied work better."

The company also declined to comment on recent speculation that it might be close to disposing of its 50 per cent stake in the Carlsberg-Jetley brewing venture to Bass. Having lost its top spot to Scottish & Newcastle following their purchase of Courage, Bass is understood to be keen to forge a deal.

During the six-month trading period, spirits and wine continued to suffer from the flat world-wide market for spirits. Volumes of Allied's brands slipped 3 per cent and the division's margin fell from 21 per cent to 18 per cent.

Investment column, page 18

BoE forecast dashes hopes for rate cut

DIANE COYLE
Economics Editor

Inflation will fall below 2.5 per cent this year, the Bank of England predicted in its quarterly *Inflation Report* yesterday. But it warned that the risk of inflation climbing above the Government's target in 1998 made it difficult to see a case for cutting interest rates further.

Mervyn King, the Bank's chief economist, said the recent reductions in the cost of borrowing had been a reaction to the danger of a slowdown in the economy. "You can see it as taking out an insurance policy against the downside risk. There is a case for continuing to pay the premium for a while longer but it is not easy to see the case for increasing the premium," he said.

The *Inflation Report* warned that it was at this stage of the cycle that policy mistakes tended to be made, with short-term weakness in manufacturing

masking the future buoyancy of the economy. Although its forecast showed inflation at 2.5 per cent in two years' time, it was "marginally more likely than not" that it would climb above the target if base rates were left unchanged at their current 6 per cent level.

Economists interpreted the *Report* as a signal that the Bank would oppose another interest rate cut. "The Bank is letting us know that the next move will be up," said James Barty, an econ-

omist at investment bank Deutsche Morgan Grenfell. Some City analysts think a rise will be needed later this year. However, most think rates will not be changed until the general election. "It is difficult to see the Bank prevailing on the Chancellor to raise rates before then," said Bill Martin, chief economist at UBS.

Mr King said that how soon monetary policy would need to react to evidence of risks to the inflation target in the future de-

pends on how the economy evolves in the next few months.

According to the *Report*, two factors might slow growth in the short-term: weaker exports to Europe and the overhang of stocks. However, these dangers were diminishing.

Other indicators suggested that growth would pick up next year. The Bank predicts above-trend growth in consumer spending and expects investment to increase.

Comment, page 17

British Gas steps up attack on regulator

MICHAEL HARRISON

British Gas yesterday stepped up its attack on the "draconian" price controls proposed by the industry regulator Clare Spottiswoode, citing evidence from her own advisers to support its claims that the curbs amounted to seizure of shareholders' funds.

In particular the British Gas camp drew attention to statements by two academics who have advised Ofgas which were said to contradict Ms Spottiswoode's contention that the price curbs on its pipeline business TransCo represented a "fair balance" between interests of shareholders and customers.

The move came as Harry Moulson, managing director of TransCo, met senior officials at the Department of Trade and Industry to protest at the Ofgas proposals and put British Gas's case that they could lead to 10,000 job losses and undermine

the safety and reliability of the transportation system.

British Gas contends that the price curbs, which could cut revenue from its pipeline business TransCo by up to £850m, amount to retrospective regulation and effectively allow Ofgas to clawback past depreciation from shareholders and distribute it to consumers.

It argues that by reducing the asset base on which TransCo can earn a return from £18bn to £9bn-£11bn and by cutting depreciation and capital spending allowances, Ofgas has ignored the findings of a Monopolies and Mergers Commission report in 1993 on TransCo's charging regime.

These are key areas of dispute since if British Gas and Ofgas fail to reach agreement then the company will be referred automatically to the MMC at the end of July.

Comment, page 18

BCCI creditors get £1bn payout boost

JOHN EISENHAMMER
Financial Editor

More than 35,000 long-suffering British creditors of the collapsed Bank of Credit and Commerce International took a big step towards seeing their first compensation payout as Abu Dhabi yesterday handed over £1bn to the liquidators.

Deloitte & Touche said the precise amount to be paid to creditors is still subject to court decisions currently in progress. Earlier this year the liquidators had hinted that the payout would be at least 20p in the pound, but were hopeful of increasing this by recovering large funds from several litigation cases under way.

The final obstacle to settlement was cleared before Christmas in a Luxembourg court, ending years of frustration and legal squabbling since the bank was shut down by regulators in

July 1991 following the discovery of massive fraud.

Abu Dhabi, which was the major shareholder in the bank, yesterday handed over £1bn as part of an overall settlement worth £1.2bn. Abu Dhabi has also paid £167m into escrow which will be released later, the liquidators said.

"We are very happy our fight for five years has come to a fruitful conclusion and we urge the liquidators and the courts to reach a quick conclusion so that the dividend can be paid," said Adil Elias, chairman of BCCI Depositors Protection Association.

The money from Abu Dhabi forms the bulk of the retrieved funds, which amount to over £2.2bn. About £300m have been won in a settlement with Saudi Arabia's most prominent banking family, while a number of funds have been located in the United States.

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STOCK MARKETS					
FT-SE 100		Dow Jones		Nikkei	
Index	Close	Day's change	Change (%)	1996 High	1996 Low
FTSE 100	3759.70	+20.50	+0.5	3857.10	3639.50
FTSE 250	4509.80	-2.80	-0.1	4598.60	4015.30
FTSE 350	1904.90	+7.80	+0.4	1945.40	1816.60
FT Small Cap	2232.88	+4.36	+0.2	2232.88	1954.06
FT All Share	1890.25	+7.41	+0.4	1924.17	1781.95
New York	5608.08	+25.48	+0.5	5689.74	5032.94
Tokyo	21301.05	+129.23	+0.6	22282.05	18754.70
Hong Kong	10817.88	+71.89	+0.7	11594.98	10204.87
Frankfurt	2519.73	+23.55	+0.9	2550.18	2284.86

INTEREST RATES					
Short sterling		UK medium gilt		US long bond	
Rate	Yield (%)	Rate	Yield (%)	Rate	Yield (%)
3 Months	6.31	7.99	8.13	8.08	8.18
6 Months	6.31	7.99	8.13	8.08	8.18
1 Year	6.31	7.99	8.13	8.08	8.18
2 Year	6.31	7.99	8.13	8.08	8.18
3 Year	6.31	7.99	8.13	8.08	8.18
4 Year	6.31	7.99	8.13	8.08	8.18
5 Year	6.31	7.99	8.13	8.08	8.18

CURRENCIES					
Pound		Dollar		Euro	
Index	Change	Index	Change	Index	Change
\$ (London)	1.5153 +0.12c	1.5688	-0.05c	0.6374	-0.0001
£ (New York)	0.7575 -75.70c	1.5845	-0.0001	0.6391	-0.0001
DM (London)	2.3287 +0.67c	2.2612	+0.0001	1.4414	+0.0001
¥ (London)	160.545 +¥1.611	135.642	+¥0.0001	86.46	+0.0001
₹ (London)	84.7 +0.3	84.4	+0.3	89.6	+0.3

Source: FT Information



COMMENT

'If steady, sustainable growth and low inflation do not set the electoral pulses racing, there will continue to be politicians arguing for a burst of unsustainable growth instead'

Polls aside, Clarke is getting the economy right

Does the British electorate prefer its economy to be badly run? Certainly there are worse conclusions that might be drawn from the fact that Ken Clarke's adept management of the economy appears to have no effect at all on the Conservative Party's dismal showing in the polls. Yesterday's Bank of England Inflation Report brought further vindication of the Government's policies. Management of the economy has been, on conventional measures, a huge success.

The report painted a picture of another two years of steady growth and low inflation to come, although it did warn that base rates might need to rise a bit to extend this favourable performance. The Bank even hinted that it agreed with the Chancellor's claim that the economy's growth potential had improved thanks to the flexible labour market. The unemployment count could be pushed down towards 1.5 million without triggering inflation, it said.

Mr Clarke issued a warning earlier this week that he would not sacrifice the public finances in order to announce big tax cuts in the next Budget. It is a fair bet that he will not cut the cost of borrowing again when the Bank of England has started to warn that an increase might be needed. If he does the right thing on both counts, it will be proof of the success of the current policy arrangements, which are designed to get away from the pattern of boom and bust that has long afflicted this country.

However, there must still be a danger that siren voices in the Conservative Party will lure the Chancellor off-course. If steady, sustainable growth and low inflation do not set the electoral pulses racing, there will continue to be politicians arguing for a burst of unsustainable growth instead. It is a false temptation. Voters stay unimpressed by the macroeconomic indicators because they tell you nothing about the sort of things that trouble them – the absence of full-time rather than part-time jobs, the disappearance of perks like tea-breaks at work, the battle it takes to get hospital treatment for an elderly relative, the shabbiness of their environment. Britain does not feel like a prosperous economy yet.

Good economic management is a long game, and the rewards for Mr Clarke getting the big picture right will go to one of his successors. But he should continue to resist the political cynicism of those who argue that he might as well stop trying.

On reflection, Ofgas' case is still strong

The Independent found itself virtually alone yesterday among broadsheet newspaper business sections in supporting Clare Spottiswoode, the gas regulator, against the cries of foul emanating from British Gas/TransCo. With the dust beginning to settle on Ofgas's explosive proposals, it is worth

asking the question again: are they unfair on shareholders? One difficulty with answering the question is that it is actually quite hard to find any genuinely independent expert to provide an assessment. We phoned National Economic Research Associates, acknowledged experts in the economic regulation of utilities. Er... hard for us to comment, they said, since we are advising TransCo. What about Professor Michael Beesley of the London Business School? He was part of the last Monopolies and Mergers Commission team to examine these issues so he ought at least to know which side is right to claim MMC support for its view. Sorry old boy, no can do. I'm advising Ofgas, you see.

Oh well, we'll just have to try ourselves, with a little help from Peter Vass, research director of the Centre for the Study of Regulated Industries (who presumably is independent). So, dear reader, sit up and concentrate for we are about to enter territory which although guaranteed to make the eyes glaze over is of great import to the future of the utilities and how they are regulated.

There are two ways in which the proposals might be unfair on shareholders. If it could be shown that they add up to an expropriation of shareholders' assets, then that would certainly be unfair and possibly even illegal. Secondly, if it could be shown that the regulator's assumptions about the scope for improved efficiency are impossibly demanding, then that would also be unfair because it would mean TransCo would not

be able to achieve the allowed rate of return. It is virtually impossible for a journalist to make a realistic assessment of the second of these possibilities for it requires detailed analysis of the integrity of the forecasts. The targets seem harsh to the point of being virtually impossible but then all cost-reduction programmes are thought impossible by those who have to carry them out until they are actually tried. An adjudication will have to await the MMC.

The possibility of expropriation is easier to address. The regulator's proposals on depreciation, whatever she may claim, are certainly at variance with the more liberal approach authorised by the MMC in 1993. The MMC said British Gas should be allowed to depreciate its assets on the basis of their replacement cost or book value. What Ofgas is proposing is that they be depreciated on the basis of what investors actually paid for those assets at the time of privatisation, which is clearly a much smaller figure. The difference may seem an obscure and arcane one, but the numbers involved are considerable. Ms Spottiswoode's approach is a lot less generous to British Gas than the MMC's but in itself it doesn't amount to expropriation. There may well be something in the detail which does, but on the face of it, Ofgas is allowing TransCo to recoup shareholders' original capital through depreciation.

It might have been a lot worse, for there is a third approach which a few wild voices

were urging on the regulator. This is the one that assumes that the gas industry has no long-term future and that there is therefore no need to replace the company's network of pipes, pumping stations and storage facilities. In these circumstances the industry would become regulated on a cash-flow basis, taking no account at all of the need to replace the company's stock of capital. Now this really would be expropriation for depreciation has another role besides being a source of funds for future expenditure – that of recovering the cost of past investment. On what might be called "the depreciation-free" approach, the industry would be progressively run down until there was nothing left. If Clare Spottiswoode had opted for this method, then shareholders really would have a case.

On the approach she does adopt, the effect is to allow lower prices now at the expense of consumers in the future. For if gas does have a long-term future, someone is one day going to have to pay the replacement cost of the industry's assets. What Ms Spottiswoode is allowing by way of depreciation won't cover the bill. But that is all a long way in the future and, in any case, not of direct concern to shareholders. There is a lot of detail in the proposals, and quite a bit of unexplained fudge too, so it is possible that expropriation is involved. But on methodology alone, the MMC is going to find it hard to support TransCo against Ms Spottiswoode.

Hodder warns of plunge in first-half profits

MATHEW HORSMAN
Media Editor

Profits at Hodder Headline, publishers of John le Carré's spy novels, will plunge by 50 per cent year-on-year in the first half of 1996, the company's chief executive warned shareholders yesterday.

The profit warning helped lop 36p off the company's shares, which closed at 224p. Generally poor trading conditions in the UK book trade, which have affected even big publishers such as HarperCollins and Penguin, were to blame, Tim Hely Hutchinson said. The company also lacks a wide range of bestsellers in the early part of 1996.

He discounted suggestions that the collapse earlier this year of the Net Book Agreement, the price-fixing scheme that had underpinned retail prices in the book trade for almost a century, had led to the profits collapse.

"Profits have been stagnating for everyone," Mr Hely Hutchinson said. "Indeed, it's a good thing the NBA was abandoned, or we might have been even worse off." He added that sales were up 15 per cent in the first four months of 1996, partly on the strength of aggressive marketing.

Last year, the company had pre-tax profits of £5.7m, on revenues of £88.8m.

The end of the NBA has led to a market highly divided between the high-volume chains,

including supermarkets such as Asda which stock a limited number of popular books, and the smaller, specialist bookshops. Smaller retailers warned that the collapse of the NBA would lead to financial ruin for the local shop.

Analysts agreed the market for books in the UK was generally soft, but said there was no sign yet of widespread problems among small retailers.

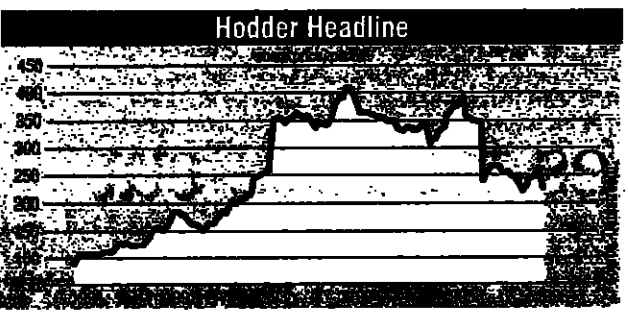
Publishers, however, have seen their margins squeezed, as they fight for market share and

face much higher prices for book-quality paper. "All the UK trade are having a real tough time," Lucy Broke, media analyst at James Capel, said. "It's been a very flat market for the last few years."

Hodder Headline has expanded rapidly in recent years, mainly through acquisitions. It now accounts for at least 10 per cent of the UK book market. The company was one of the first to leave the Net Book Agreement, in a high-stakes attempt to build market share. It was also a pioneer of the "firm sale", which replaced the right of retailers to return unsold copies of books for credit.

The shares have spiked and fallen in the past, following warnings about profit levels.

The company yesterday announced the publication later this year of Mr le Carré's new book, *The Tinker of Panama*, which Mr Hely Hutchinson expected would help the company recover in the second half.



Profits spied: Tim Hely Hutchinson (above) expects the new le Carré novel to lift the second half

AT&T links up pan-European telecoms arms

MATHEW HORSMAN

AT&T and Unisource, an alliance of European telecoms companies, yesterday announced a merger of their continental European telecommunications markets.

The new company, to be called AT&T-Unisource, will have revenues of \$1bn (£60m) and a staff of 5,000, and will offer pan-European services, particularly to businesses. Unisource will take a 60 per cent majority stake.

It joins two established alliances. BT's Concert and a joint venture between France Telecom and Deutsche Telekom, formed in advance of the deregulation of telephony in the EU by 1998.

Unisource, owned by the Swiss, Dutch, Swedish and Spanish national telecoms companies, also has the option to take up to a 49.9 per cent stake in AT&T's UK operations, within the next year. AT&T already has an operator's licence to offer telecoms services in Britain.

AT&T-Unisource had already established a strategic alliance, Uniwild, to offer both European and international services to businesses. Yesterday's announcement represents a further step in co-operation, executives from the two sides said.

The merger will also simplify the relationship between the operating companies, and

provide them with the ability to expand by acquisition in the future. The two have agreed, as well, to jointly fund research and development and to invest in multimedia.

"This is a much expanded joint venture, which will be much more useful to our customers as a whole," a spokesman said. Common network, joint billing and customer service will also be features of the new venture.

Liberalisation of the voice and data markets in the European Union has encouraged a range of telecoms companies to extend their services into different markets. AT&T-Unisource said it would offer wireless, satellite and systems integration services, primarily to big businesses.

The new venture will have two headquarters, in Geneva (for multimedia) and Hoofddorp in the Netherlands (communications services).

The two companies said they have alerted competition authorities in Brussels, which have been looking closely at all telecoms alliances in recent years. The new joint venture will require the European Commission's approval.

Brussels has also been looking at Uniwild, which has yet to be approved, and has so far withheld approval of Telefonica's investment in Unisource.

A spokesman for BT said: "We're very pleased that they are catching up." BT's Concert is seen as being the most developed European alliance.

Stormy quarter cuts General Accident's profits

JOHN EISENHAMMER
Financial Editor

The tough winter on both sides of the Atlantic tore a large hole in General Accident's first-quarter earnings, as the general insurer yesterday heralded a recovery in motor premiums.

GA's pre-tax operating profit slumped to £55m in the first three months, down from £112m in the same period last

year. But the market reacted with relief that the results were no worse than expected and pushed the shares 19p higher to 654p, encouraged by good growth in investment income, and a robust net asset value.

GA provided further much-awaited evidence of the turnaround in motor premiums after a long period of slide, having increased commercial motor rates by 6 per cent in

February and private rates by 4 per cent in April. "Motor rates could well continue to move up during the year," said Bob Scott, chief executive.

On the property side, private household premiums are at the same level as a year ago while rates on commercial lines have drifted slightly lower. Mr Scott said there are no plans for rate increases on either of the property lines.

First-quarter investment income at GA was up at £136m from £115m. Net asset value, which many analysts use as a measure of the strength on the business, held up near the top of forecasts at 651p. Operating earnings per share fell to 6.5p from 16.6p a year ago.

Claims from property damage due to the unexpectedly harsh winter in the US and the UK cost the insurer £70m. The

world-wide general insurance underwriting result was a loss of £96m compared with a loss of £14m a year earlier.

"There is very little surprise. Really the story is one of severe weather on both sides of the Atlantic. The underlying trend is still pretty difficult," said Rob Procter of Lehman Brothers.

Referring to the recent merger between Sun Alliance and Royal Insurance, Mr Scott said

GA had no similar plans and would be making no acquisition moves while it beds down Provident Mutual, the life office which it took control of three months ago. Mr Scott said the focus for expansion would remain Europe, notably France. "We are looking all the time, we have got a few things we are working on, but we are not anticipating doing anything in the immediate future," he said.

Fear of former ways return to haunt Wace

TRICK TOOHER

Specialist printing and imaging group Wace raised fears of a return to bad old ways yesterday when a profits warning sent the shares tumbling 44p to 223p.

The company, which had a notorious reputation for disappointing investors, had been getting back on an even keel under new management led by Trevor Grice following the abrupt departure of chief executive John Clegg four years ago.

But yesterday analysts cut their pre-tax forecasts from £27m to about £22m after Wace told its annual shareholders' meeting that industry destocking, rising raw material costs and pricing pressures would lead to lower profits this year.

Although its US and continental European businesses are performing in line with expectations, domestic markets for pre-press and labelling are particularly tough.

Analysts said profits at Ferry Pickering, the packaging and folded cartons group bought for £20m last year, will be some £500,000 below forecast.

The profits warning is a setback for Mr Grice, the Yorkshire-born chartered accountant who joined Wace when the shares hovered just above 60p.

He engineered a rapid turnaround in fortunes, first by cutting costs and reducing the

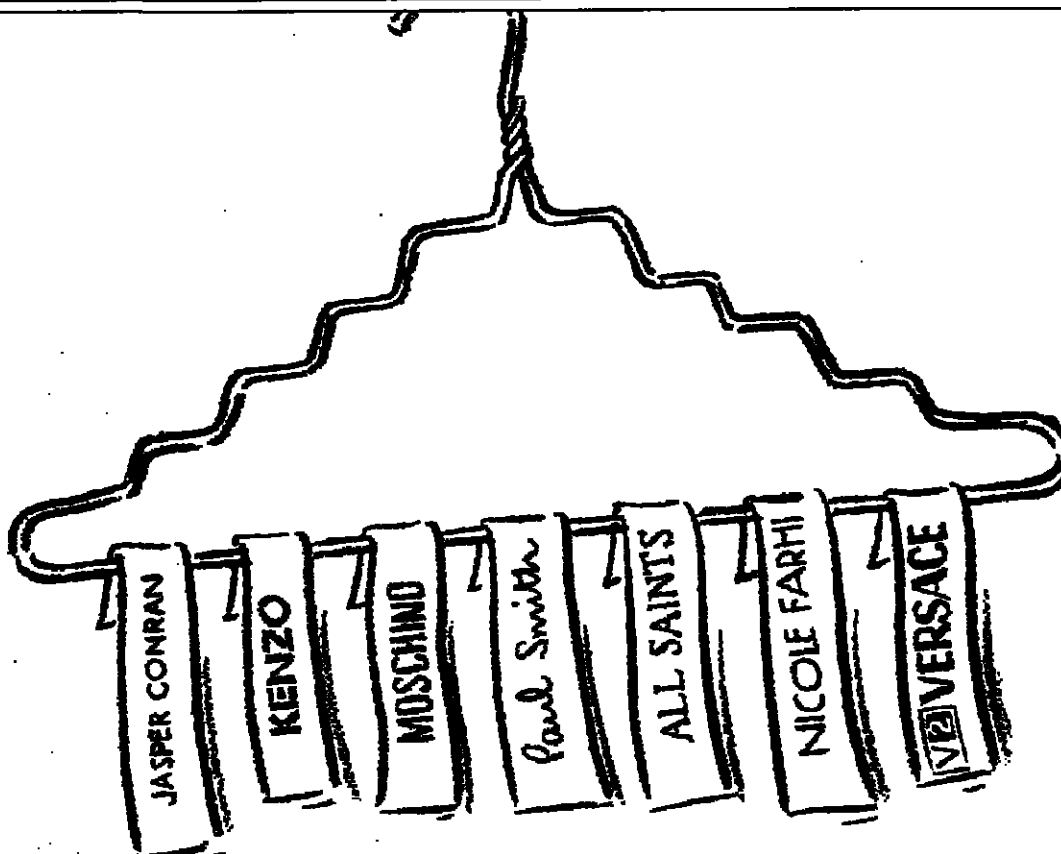
sky-high level of debts to manageable levels. More recently, he has tried to re-position Wace away from pre-press printing towards an integrated business of offering clients, who include British Airways and food retailer Asda, a "one-stop shop" service embracing pre-press, imaging, cartons and labels.

However, analysts are concerned that while Mr Grice is a proven cost-cutter he has yet to show he can grow the business in difficult market conditions.

"(He) is just not making progress other than through reorganisation. It's more of the same bad news," said one analyst. Another was sceptical about Wace's ambitions to reinvent itself. "I don't like being sold concepts," said one analyst. "I look at a boring manufacturing sector."

Under John Clegg, Mr Grice's predecessor, Wace expanded at break-neck speed through a series of acquisitions in the late Eighties and early Nineties.

The onset of severe recession in the advertising and printing industries led to a string of profit warnings, and Mr Clegg's tenure at the top ended in controversy in 1992 amid allegations of insider share dealing involving members of his own family. These were the subject of a DTI inquiry whose findings have yet to be published.



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18
business

The spirits are lagging at Allied

THE INVESTMENT COLUMN

EDITED BY TOM STEVENSON

This was a dismal performance from Allied Domecq but the market had been fully briefed and, in the event, investors shrugged off a 24 per cent fall in pre-tax profits from £416m to £317m and the shares fell only 5p to 497p.

That will come as cold comfort, however, to anyone in the stock for any length of time. They have underperformed the market by 20 per cent over the past year, 30 per cent over three and a depressing 40 per cent since 1991.

It is little wonder that investors have pinned so much hope on new chairman Sir Christopher Hogg, the wunderkind of Courtlands and Reuters and one of the founding fathers of what many see as Allied's best road to salvation, demerger.

For a market obsessed by the mantra of focus, Allied is a totally unacceptable mish-mash of interests, with a portfolio of mainly second-string spirits brands competing for management attention with an illogical, if better placed, retailing side, taking in managed pubs, Victoria Wine offices, Baskin Robbins and Dunkin Donuts.

Whether the company has the chutzpah to take the radical steps required to create a rational group, however, is unclear. While Sir Christopher is seen as a catch for Allied, City analysts will tell you privately of their doubts over the quality of the rest of the top management. They are at least on notice that they need to shape up or ship out.

Certainly the group has a patchy record, even disregarding the difficult markets in which it currently trades. It plainly overpaid for Pedro Domecq, the ill-fated Spanish/Mexican drinks business that continues to suffer from high Latin American inflation and the collapse in value of the peso. And it can fairly be questioned for the price it achieved in the recent sale of a clutch of former Lyons food businesses.

The challenges facing Allied are rather more simple to enumerate than to overcome. It must try and push through price rises in the spirits arm where a 1 per cent improvement would add £27m to trading profits; it must focus on its leading brands - Ballantine, Kahua, Beefeater and Sauza; it must make inroads into the £350m of its cost base over which it has some control; finally it must bring to fruition the long overdue exit from the Carlsberg-Tetley brewing venture.

Looking further ahead, though, shareholder value is only likely to be created by focusing on what it is good at, retailing, and getting shot of the spirits arm it is struggling to make a success of. On the basis of some analysts' calculations such a deal might put a value of maybe 670p on the shares.

In the meantime, forecasts of about £604m in the year to August and £689m next time put the shares on a

prospective price/earnings ratio of 14 falling to 12. With a same again 24p dividend likely, the shares yield 6 per cent, which puts a solid floor under the price. Good value.

Gases still firing for BOC

BOC continues to demonstrate the rock-solid virtues of its industrial gases business. While the rest of the chemicals sector is riding the down slope of the industry's roller-coaster cycle, BOC is still just beginning to benefit from the increasingly mature world economic recovery.

Yesterday's announcement of pre-tax profits up 12 per cent to £217m in the six months to March owed much to another strong result from the core gases operation. Although there continue to be some concerns surrounding the US market, the caution expressed by new chief executive, Danny Rosenkranz, in February seems in retrospect to have been more to do with the severe winter weather than any fundamental weakness. Indeed recent price increases have stuck in America and good demand and firm prices seem to have boosted profits in near-

all the main gas markets of the world. As a result, operating profits from the division firmed 10 per cent to £198m.

There continues to be no shortage of investment opportunities. Capital expenditure was jacked up from £212m to £324m in the six months, and most of that related to gases. The focus remains the US, and although demand for large gas separation plants for customers like US Steel is now starting to slow, BOC reckons there are still 12 to 18 months of demand to go for.

Further out, the potential for stepping up construction of similar plants in rapidly growing Pacific economies is huge. But while there are plenty of opportunities to invest, the challenge remains to lift gas margins from the 14.8 per cent they reached in the second quarter to nearer the 18 per cent or more achieved by the industry's best like Air Products and Praxair of the US.

Elsewhere, the vacuum and distribution operations continue to motor, raising profits 39 per cent to £43.6m in the latest period. A flattening in demand from the semiconductor industry may slow growth in the short term, but the fundamentals remain sound.

BOC's Achilles' heel remains health care, where US hospital consolidation and spending cut-backs hit sales of anaesthesia machines and divisional profits slumped 9 per cent to £28.4m.

But the real problem is in inhaled anaesthetic gases, where the newer Suprane is only just offsetting the continued decline of the original Forane, off-patent since 1993. Despite BOC's defiance that the business is not for sale, it is not clear where it is going.

On James Capel's forecast of profits of £450m this year, the shares, up 7p at 931p, are a firm hold on a forward p/e of 16.

Hope builds up at Westbury

During the housing market's heyday in 1989, Cheltenham-based housebuilder Westbury racked up profits of £35m and basked in the reflected glory of a share price above 250p. Hopes of ever revisiting those halcyon days looked pretty fond in the loss-making, provision-loaded early Nineties.

But tangible evidence of a housing market recovery, and another set of resilient results, is encouraging such talk again. According to the Halifax Building Society, house prices have risen in each of the last nine months to April. Against this more benign background, a 10 per cent drop in Westbury's pre-tax profits to £11.5m for the year to February may seem disappointing. But the figure included a £1.7m exceptional charge taken for the rights issue funded acquisition of Clarke Homes, BICC's housebuilding arm.

Operating margins actually rose again to 8.7 per cent from 8.5 per cent, thanks to higher volumes and an improved product mix. Private house sales were 7 per cent higher, while houses fetched an average selling price of £68,413, up 5 per cent, reflecting a further increase in the proportion of detached houses sold. These will soon account for half of Westbury's business.

All this was achieved in what Westbury admits were "difficult" market conditions where buyers are still calling the shots. For example, Westbury paid average incentives of £3,585 in the second half, or 5.1 per cent of selling prices, versus £2,431 in the first half.

Building market share is clearly the name of the game as conglomerates unbundle their housing assets and the sector consolidates. The Clarke deal, which expanded Westbury's land bank from 6,800 to 8,700 plots, was therefore timely though further in-fill acquisitions are not being ruled out.

The current year has got off to a good start with sales reservations, excluding Clarke, up 10 per cent on last year. House broker Panmure Gordon looks for 1997 profits of £21.6m, putting the shares - up 6p to 210p yesterday - on a p/e of 13. About right, but even a small dose of price inflation would see the stock testing new highs.

There's something in them there bore holes

CITY DIARY

JOHN WILLCOCK

British investors in Timbuktu Gold are holding their breath as they wait to hear whether the Calgary-listed mining company launched in February is either one of the most exciting gold mines ever discovered or merely a hole in the ground. City broker T Hoare specialises in commodity companies in out-of-the-way locations, and placed 4 million shares with British institutions when Timbuktu Gold floated in January.

The company was launched by Oliver Reese, a North American-based entrepreneur, in order to prospect for gold in Mali. The shares were issued at C\$1.30 and potted along in the C\$6 to C\$8 range, until the middle of April, when a bore hole showed "almost pure gold," according to one investor. The shares soared to a high of C\$26.70, valuing the company at more than £300m. Then the Alberta Stock Exchange heard from a journalist that the US Securities and Exchange Commission (SEC) had made two complaints against Mr Reese, complaints he had not told Alberta about.

On the 19 April the shares were suspended. In the two days preceding the suspension more than 1.7 million shares were traded.

A single institution, believed to be British, sold more than half a million shares, having trebled its money. Both T Hoare and the Alberta Stock Exchange sent teams out to investigate the Mali bore holes at first hand and

It's an ill wind. British Gas has responded to its execrable public image by employing an army of spin doctors from four different firms. They are (takes deep breath): The Maitland Consultancy to advise chairman Richard Giordano; a "horde" of people from Shandwick to advise on the demerger between TransCo and British Gas Energy; George Pitcher of Lother Pendragon for the Millennium site at the former British Gas plant in Greenwich; and two men from Prima, an agency owned by Burson-Marsteller. These last two are Dick Taverne, the former Labour MP who joined the SDP, and Roger Liddle, an ex-Liberal, who co-authored the biography of Tony Blair with Peter Mandelson. Mr Taverne is a former director of BOC, where he met Mr Giordano, who brought him in to advise on political matters. Phew. Why didn't they just give all these fees to the shareholders?



Bated breath: The excitement of the gold game

carry out further drilling. One City investor told the *Independent* yesterday he had heard that liquid gold had been poured down one bore hole to fool the testing equipment.

Tim Hoare said he did not know anything about this - "it's very early days". He added that they would know one way or another about the site "in about three weeks".

Wales' newest crematorium has made history by being the first to use TV advertising. The 30-second ads for the Aberystwyth Crematorium Company on the Welsh S4C channel appear in both Welsh and English language versions. Spokeswoman Dawn Havard said: "The ads are very factual - they show the shops, the wonderful setting,

how very friendly the staff are. Obviously we have had to think very carefully about the content. It's a sensitive subject." For the man who directed the video it is familiar territory. Dyfrig Davies of Llandello is from a family, of well known funeral directors in west Wales and is himself qualified in the field. "It is satisfying to know that a short video like this can help local people in a time of need," he said.

The "King of Eurobonds" is heading east. The legal king, at least, Andrew Carmichael, a partner in the capital markets department of City law firm Linklaters & Paines, has advised investment banks on the multi-trillion-dollar Eurobond market for the last 15 years. Now he's off to head up the firm's Hong Kong capital markets office. Lately Mr Carmichael has been so dominant that some observers reckon he was pulling in as much work as the entire second-biggest legal player in the market, solicitors Allen & Overy.

Terence Kyle was also a big Eurobond player at Linklaters until he moved upstairs to be managing partner a year ago. Now firms like Allen & Overy and Freshfields are licking their lips.

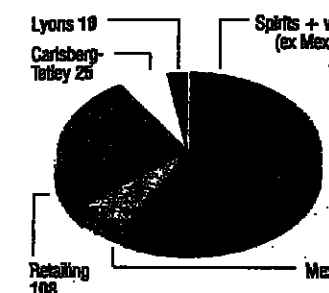
Allied Domecq: at a glance

Market value: £5.16bn, share price 497p

5-year record	1993	full year 1994	1995	half year 1996	1996
Turnover (£2bn)	5.42	5.82	6.05	3.31	2.80
Pre-tax profits (£m)	529	628	494	416	317
Earnings per share (pence)	29.5	37.6	22.6	20.9	19.1
Dividends per share (pence)	21.4	22.7	27.6	na	9.44

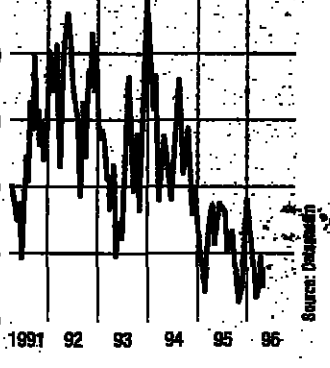
Profit by activity

£m



Share price

pence



IN BRIEF

• Littlewoods Pools announced it was axing nearly 600 jobs in a bid to fend off competition from the National Lottery. The company said 280 full and part-time jobs will be lost at two sites in Merseyside under a plan to improve the pools coupon-checking business. It is also closing its operation in Hillington, near Glasgow, with the loss of 318 jobs by mid-August. The latest cuts come on top of 500 job losses announced last August, which were also blamed on competition from the National Lottery.

• Higher newspaper costs and a drop in display advertising revenues helped push pre-tax profits at the Telegraph group down by more than 60 per cent to just £6.6m, on higher revenues, in the first quarter of 1996. The company also blamed poor figures from its 25 per cent-owned Australian associate, Fairfax, which has been affected by the slowdown in the domestic economy. Revenues advanced on the strength of a 10p increase in the cover price of the *Daily Telegraph* since the end of the cover price war. The company said the display advertising markets "are showing signs of improvement in the second quarter." The Telegraph, 64 per cent owned by Conrad Black's Hollinger, is likely to be taken private later this year, following an offer of 570p a share by Mr Black for the minority.

• Whitbread has acquired the rights to brew, market and distribute Labatt beers in the British Isles. The deal, which does not include the John Labatt retail pub business, increases Whitbread's share of the premium bottled lager market, where it already includes Heineken Export and Stella Artois in its portfolio. Labatt's brands include Rolling Rock, Labatt Blue and Labatt Ice. The acquisition of the brands, which account for about 10 per cent of the premium bottled lager market, adds 10 per cent to Whitbread's volumes with no increase in capacity.

• Cantab Pharmaceuticals, the biotechnology company, is seeking approval to disapply pre-emption rights for existing shareholders as part of plans to raise £25m from an international share issue. The group said it wanted to broaden its existing shareholder base, which includes NM Rothschild and Abingworth, beyond the existing mix of US holders, venture capitalists and Pfizer, its partner in developing veterinary vaccines. The shares have soared from 108p a year ago to 673p, close to their all-time high, after rising 2p yesterday. The new money is expected to finance development spending for a further two years. The group also announced a loss of £1.96m for the first quarter, up from £1.81m.

• New construction orders bounced back in March, partly due to a sharp rise in private housing which reached its highest level for a year. New orders in the private industrial and private commercial sectors also rose but from depressed levels in February. Infrastructure orders maintained a high level due to a small number of large road contracts. However, the total volume of new orders received by contractors for construction work in Great Britain in the first quarter of 1996 was 9 per cent lower than in the fourth quarter of 1995 and three per cent lower than in the first quarter of 1995.

• The number of jobs shed by the building industry since 1990 is set to reach half a million by the end of this year, construction employers warned yesterday. In its second quarterly review the Construction Industry Employers' Council forecast that output would fall again this year by a further 1 per cent while another 30,000 jobs would be lost. Contracting work is showing a worrying slowdown, the council added.

COMPANY RESULTS

	Turnover £	Pre-tax £	EPS	Dividend
Allied Domecq (Q)	2,790m (2,510m)	317m (418m)	18.1p (20.9p)	8.44p (-)
BOC (Q)	1,860m (1,700m)	217m (185m)	127.85p (26.03p)	13.50p (-)
Clarke Homes (Q)	10,020m (9,140m)	-1.8m (-1.8m)	-0.17p (-1.19p)	nil (-)
Diploma (Q)	114m (108m)	11.0m (13.5m)	12.7p (16.5p)	4.5p (4.5p)
Harlequin Water (Q)	5,830m (5,880m)	1,830m (2,650m)	21.8p (24.6p)	7.1p (6.5p)
The Telegraph (Q1)	72.3m (61.3m)	6.8m (16.2m)	2.4p (7.1p)	nil (-)
UPF Group (Q)	28.5m (23.6m)	3.1m (2.9m)	7.2p (6.4p)	1.8p (1.5p)
Westbury (Q)	194m (189m)	11.5m (12.6m)	11.1p (12.2p)	6.05p (-)

(P) - Final (Q) - Interim (rest basic)

Sedgwick holds hope for Lloyd's

NIC CICUTTI

Sedgwick Group, one of the world's largest insurance brokers, yesterday expressed its confidence in the long-term prospects for the troubled Lloyd's insurance market, as it announced a 6 per cent rise in first-quarter pre-tax profits to £45.5m.

The company said its recently-completed acquisition of Oakwood Underwriting Agencies, creating the largest names' agency at Lloyd's, reflected its view of the market.

With about 1,300 active names, Sedgwick Oakwood, as the agency is now known, represents about 10 per cent of Lloyd's membership and the same proportion of underwriting capacity.

Sax Riley, chief executive at Sedgwick, said: "Lloyd's continues to make good progress towards a resolution of its major issues and there is a growing feeling of optimism."

The recent news that the Californian authorities are to permit Lloyd's to communicate reconstruction and renewal information to Californian names makes us feel even more positive about the eventual outcome."

Brokerage and fees increased at Sedgwick from £234.4m last year to £243.2m in the first three months of this year. However, expenses, at £209m, remained broadly flat. Shares prices rose 3p to 149p on the announcement of the results.

Mr Riley added: "Conditions remain tough across most sectors of our business and we continue to take the necessary measures to enable us to compete in today's markets."

"In insurance broking, markets remain intensely competitive, with particular pressure on rates in Europe. In North America, business is developing well and is supported by a high level of business retention."

He said long-term prospects for Sedgwick Noble Lowndes, the company's financial services arm, were also bright, particularly in the rest of Europe, where the provision of many employee benefits is moving to the private sector.

In the UK, the company's new business activity had also increased in the past three months, reflecting a mood of growing confidence among consumers, increasingly prepared to consider long-term financial planning in investments, life and pensions products.

Change of Interest Rate.

With effect from close of business on 14th May 1996 the rate for the £100,000+ tier of TSB's Practice Call Account is 4.50% Gross* (4.58% Gross C.A.R.).

TSB We want you to say YES

Interest rates are variable. Interest paid quarterly. Minimum balance £2,000. *Before deduction of Basic Rate income tax. TSB Bank plc, Victoria House, Victoria Square, Birmingham B1 1BZ.

NEWSPAPERS SUPPORT RECYCLING

Recycled paper made up 34.5% of the raw material for UK newspapers in 1995.

Source - Pulp & Paper Information Centre.

market report/shares

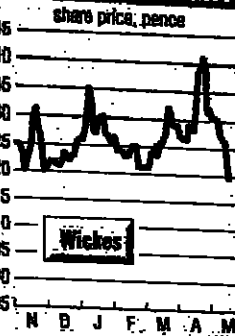
Bank rumours come to defence against Gas fall-out

TAKING STOCK

DATA BANK

FT-SE 100
3759.7+20.5
FT-SE 250
4509.8 -2.6
FT-SE 350
1904.9 +7.8
SEAQ VOLUME
781.9m shares,
33,455 bargains
Gilt Index
92.48 +0.29

SHARE SPOTLIGHT



The British Gas fall-out continued to blitz privatisation shares as the stock market fretted about the likelihood of further regulatory interference.

But talk a big banking deal was near helped steady sentiment and the FT-SE 100 index ended with a 20.5-point gain to 3,759.7.

Once again Gas dominated the proceedings, with Seaq printing turnover at 84.3 million shares. The price dipped to 191.5p, closing 6p off at 195p.

National Grid lost 6p to 186.5p, lowest since December's flotation. The shares represent a sorry spectacle for stockbroker James Capel, which in a controversial and still to be fully explained deal, took on its books 12.5 per cent of Grid from Hanson at 192p. It has since managed to unload some of the shares but the popular guess is that it is still un-

comfortably sitting on around 11.3 per cent of the company. The deal has, at least to some extent, been hedged by Capel through a link with Olayan, a Saudi Arabian company.

BT plunged to new 12-month lows, off 7p at 326.5p, and electricity and water shares were other casualties of feared regulatory zeal.

The English generators, however, were in a cosy world of their own. PowerGen, at one time down 9p, ended with an 8p gain at 547p.

It has wasted no time selling its 80.3 million Midlands Electricity shares for £353.4m—a £69m profit. Buyers are the US bidders that moved in after PG's offer was blocked by Whitehall.

The generator, however, added spice to its share sale by bringing forward its yearly results to today. On the basis that good figures are much easier



MARKET REPORT

DEREK PAIN

Stock market reporter of the year

to add up than poor ones and are often bought forward the market. Immediately sensed that PG will have an exceedingly happy tale to tell, with the strong possibility of share buy-backs and special dividends.

National Power glowed on the back of its deal. At one time down 10p, it closed at 527p, off just 2p.

Banks were in fine form. The decision by Standard Life to review its 32.2 per cent shareholding in Bank of Scotland got minds whirling about other banking possibilities.

There has for some time been talk of a big deal in the sector. BofS dutifully gave up a little of Monday's gain but

Royal Bank of Scotland, planning a round of US presentations, jumped 18p to 538p and Standard Chartered 16p to 624p.

Barclays, on continuing stories that it intends to hive off its investment arm, improved 14p to 762.5p.

Shares were helped along by an encouraging review which prompted stockbroker Moses Pierson to lift its target price for Dixons to 600p. The shares rose 12p to 490p.

Supermarkets continued their advance with Asda 2.25p higher at a 12-month high of 117.75p and J Sainsbury 9p firmer at 387p.

But Wickes, the building

materials retailer, had a tough time, falling 7p to 119p. Merrill Lynch seems to have done the damage, selling 12.5 million shares taken on at 114p on Monday at around 117p/118p.

Wolseley was the best-performing blue chip, up 18.5p to 476.5p, with Kleinwort Benson positive.

Meyer International, up 5p at 453p, continued to attract takeover talk and a newcomer to the bid frame, Appleyard, the car group, edged ahead 1p to 106p.

Innovations, a direct sale business, firmed 13p to 195p on suggestions that a proposed management buy-out will be scuppered by an outside bid.

Drugs were weak, with British Biotech off 110p at 2,845p, and Celtech lost 23p to 635p. Cantab Pharmaceuticals, raising £25m through a share placing, was firm at 675p.

British Steel was the subject of conflicting advice. SBC

Warburg said sell, cutting this year's forecast from £725m to £645m. Kleinwort lifted its forecast from £650m to £700m and recommended holding the shares, off 4p to 179.5p.

Growing hopes of a link with American Airlines lifted British Airways 85p to 543.5p. Figures are due next week.

Profit warnings crippled Wace, a printer, 44p to 223p and publisher Hodder Headline 36p to 224p.

Southern Property gained 3p to 45p on its Australian involvement but Repel Life Sciences lost 7p to 74p following an agency cross at 74p.

Irish resource shares were enlivened by Dublin talk of takeover action. Ivernia West added 2p to 91p and Navan Resources 8p to 224p.

Tallow Oil was firm at 94p on bid hopes.

Thomas Potts, a printer, is the latest to take AIM, closing at 10p against a 5p placing.

Expect Caldwell Investments, a textile group run by Stanley Woodliff, to adopt a much higher profile. It has acquired two companies this year and has a handful of further acquisitions in mind. In the 14 months to December it produced profits of £405,000 from turnover of £10m.

This year sales should be £15m with profits of £750,000 and next year, even without any more deals, a £1.25m profit is on the cards. The shares are 46p, pricing the group at £4.4m.

AH Ball, a water pipe layer, splashed 11p higher to 35p after four directors, including chairman Sir James Harvie-Watt, purchased 156,000 shares at 32p.

The company made profits of £76,000 in its last six months after two years of losses.

Share Price Data

Prices are in sterling except where stated. The yield is last year's dividend, grossed up by 20 per cent, as a percentage of the share price. The price/earnings (P/E) ratio is the share price divided by last year's earnings per share, excluding exceptional items. Other details: r Ex rights x Ex-dividend x Ex all Unlisted Securities Market x Suspended pp Partly Paid pm Nil Paid Shares. Source: FT Information.

The Independent Index

The index allows you to access real-time share prices by phone from Seaq. Simply dial 0891 223 333, followed by the 4-digit code printed next to each share. To access the latest financial reports dial 0891 223 333 followed by the two-digit code below.

FT-SE 100 - Real-time	00	Shilling Rates	04	Privatisation Issues	36
UK Stock Market Report	01	Bullion Report	05	Water Shares	37
UK Company News	02	West St Report	06	Electricity Shares	38
Foreign Exchange	03	London Market	07	High Street Banks	40

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Market leaders: Top 20 volumes

Stock	Volume	Stock	Volume	Stock	Volume	Stock	Volume
British Gas	640,000	ASDA Group	100,000	Wickes	70,000	Seas	50,000
British Steel	600,000	Wolseley	100,000	British Airways	70,000	Rolls Royce	50,000
BT	400,000	Wolseley	100,000	Wolseley	70,000	Thames Valley	40,000
National Grid	300,000	BT	100,000	BT	70,000	Agfa	40,000
Hanson	300,000	BT	100,000	BT	70,000	Agfa	40,000

FT-SE 100 Index hour by hour

Open	11.00	12.00	13.00	14.00	15.00	Close
3759.7	3762.1	3762.1	3762.1	3762.1	3762.1	3759.7

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Company	Price	Change	Volume
British Gas	195.0	+6.0	640,000
British Steel	119.0	-7.0	600,000
BT	527.0	-2.0	400,000
National Grid	186.5	-6.0	300,000
Hanson	192.0	-0.5	300,000
Wolseley	476.5	+18.5	100,000
ASDA Group	117.75	+2.25	100,000
Wickes	119.0	-7.0	70,000
British Airways	543.5	+85.0	70,000
Rolls Royce	500.0	-0.0	50,000
Thames Valley	400.0	-0.0	40,000
Agfa	400.0	-0.0	40,000

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Thames Valley	400.0	-0.0	40,000
Agfa	400.0	-0.0	40,000

Oil Exploration

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Foreign Exchange Rates

STERLING			DOLLAR			D-MARK	
Country	Spot	1 month 3 months	Country	Spot	1 month 3 months	Country	Spot
US	1563	5-7	24-21	100	—	FR	86507
Canada	2378	1-3	50-49	12673	2-1	2-0	10387
Germany	2220	53-48	150-140	15358	28-34	54-100	10123
France	1563	5-7	24-21	100	—	2-1	87237
Italy	2358	1-3	50-49	12673	2-1	2-0	10620
Japan	1525	75-70	225-78	12336	45-44	120-133	104320
UK	1563	5-7	24-21	100	—	2-1	87237
Belgium	4082	3-4	34-29	21800	0-5	8-76	238522
Denmark	8895	175-83	520-530	15358	28-34	54-100	10123
Finland	1563	5-7	24-21	100	—	2-1	87237
France	1563	5-7	24-21	100	—	2-1	87237
Holland	1563	5-7	24-21	100	—	2-1	87237
Italy	2358	1-3	50-49	12673	2-1	2-0	10620
Japan	1525	75-70	225-78	12336	45-44	120-133	104320
UK	1563	5-7	24-21	100	—	2-1	87237
US	1563	5-7	24-21	100	—	2-1	87237
Canada	2378	1-3	50-49	12673	2-1	2-0	10387
Germany	2220	53-48	150-140	15358	28-34	54-100	10123
France	1563	5-7	24-21	100	—	2-1	87237
Italy	2358	1-3	50-49	12673	2-1	2-0	10620
Japan	1525	75-70	225-78	12336	45-44	120-133	104320
UK	1563	5-7	24-21	100	—	2-1	87237
Belgium	4082	3-4	34-29	21800	0-5	8-76	238522
Denmark	8895	175-83	520-530	15358	28-34	54-100	10123
Finland	1563	5-7	24-21	100	—	2-1	87237
France	1563	5-7	24-21	100	—	2-1	87237
Holland	1563	5-7	24-21	100	—	2-1	87237
Italy	2358	1-3	50-49	12673	2-1	2-0	10620
Japan	1525	75-70	225-78	12336	45-44	120-133	104320
UK	1563	5-7	24-21	100	—	2-1	87237
US	1563	5-7	24-21	100	—	2-1	87237
Canada	2378	1-3	50-49	12673	2-1	2-0	10387
Germany	2220	53-48	150-140	15358	28-34	54-100	10123
France	1563	5-7	24-21	100	—	2-1	87237
Italy	2358	1-3	50-49	12673	2-1	2-0	10620
Japan	1525	75-70	225-78	12336	45-44	120-133	104320
UK	1563	5-7	24-21	100	—	2-1	87237
Belgium	4082	3-4	34-29	21800	0-5	8-76	238522
Denmark	8895	175-83	520-530	15358	28-34	54-100	10123
Finland	1563	5-7	24-21	100	—	2-1	87237
France	1563	5-7	24-21	100	—	2-1	87237
Holland	1563	5-7	24-21	100	—	2-1	87237
Italy	2358	1-3	50-49	12673	2-1	2-0	10620
Japan	1525	75-70	225-78	12336	45-44	120-133	104320
UK	1563	5-7	24-21	100	—	2-1	87237
US	1563	5-7	24-21	100	—	2-1	87237
Canada	2378	1-3	50-49	12673	2-1	2-0	10387
Germany	2220	53-48	150-140	15358	28-34	54-100	10123
France	1563	5-7	24-21	100	—	2-1	87237
Italy	2358	1-3	50-49	12673	2-1	2-0	10620
Japan	1525	75-70	225-78	12336	45-44	120-133	104320
UK	1563	5-7	24-21	100	—	2-1	87237
Belgium	4082	3-4	34-29	21800	0-5	8-76	238522
Denmark	8895	175-83	520-530	15358	28-34	54-100	10123
Finland	1563	5-7	24-21	100	—	2-1	87237
France	1563	5-7	24-21	100	—	2-1	87237
Holland	1563	5-7	24-21	100	—	2-1	87237
Italy	2358	1-3	50-49	12673	2-1	2-0	10620
Japan	1525	75-70	225-78	12336	45-44	120-133	104320
UK	1563	5-7	24-21	100	—	2-1	87237
US	1563	5-7	24-21	100	—	2-1	87237
Canada	2378	1-3	50-49	12673	2-1	2-0	10387
Germany	2220	53-48	150-140	15358	28-34	54-100	10123
France	1563	5-7	24-21	100	—	2-1	87237
Italy	2358	1-3	50-49	12673	2-1	2-0	10620
Japan	1525	75-70	225-78	12336	45-44	120-133	104320
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France	1563	5-7	24-21	100	—	2-1	87237
Holland	1563	5-7	24-21	100	—	2-1	87237
Italy	2358	1-3	50-49	12673	2-1	2-0	10620
Japan	1525	75-70	225-78	12336	45-44	120-133	104320
UK	1563	5-7	24-21	100	—	2-1	87237
US	1563	5-7	24-21	100	—	2-1	87237
Canada	2378	1-3	50-49	12673	2-1	2-0	10387
Germany	2220	53-48	150-140	15358	28-34	54-100	10123
France	1563	5-7	24-21	100	—	2-1	87237
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Finland	1563	5-7	24-21	100	—	2-1	87237
France	1563	5-7	24-21	100	—	2-1	87237
Holland	1563	5-7	24-21	100	—	2-1	87237
Italy	2358	1-3	50-49	12673	2-1	2-0	10620
Japan	1525	75-70	225-78	12336	45-44	120-133	104320
UK	1563	5-7	24-21	100	—	2-1	87237
US	1563	5-7	24-21	100	—	2-1	87237
Canada	2378	1-3	50-49	12673	2-1	2-0	10387
Germany	2220	53-48	150-140	15358	28-34	54-100	10123
France	1563	5-7	24-21	100	—	2-1	87237
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UK	1563	5-7	24-21	100	—	2-1	87237
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Finland	1563	5-7	24-21	100	—	2-1	87237
France	1563	5-7	24-21	100	—	2-1	87237
Holland	1563	5-7	24-21	100	—	2-1	87237
Italy	2358	1-3	50-49	12673	2-1	2-0	10620
Japan	1525	75-70	225-78	12336	45-44	120-133	104320
UK	1563	5-7	24-21	100	—	2-1	87237
US	1563	5-7	24-21	100	—	2-1	87237
Canada	2378	1-3	50-49	12673	2-1	2-0	10387
Germany	2220	53-48	150-140	15358	28-34	54-100	10123
France	1563	5-7	24-21	100	—	2-1	87237
Italy	2358	1-3	50-49	12673	2-1	2-0	10620
Japan	1525	75-70	225-78	12336	45-44	120-133	104320
UK	1563	5-7	24-21	100	—	2-1	87237
Belgium	4082	3-4	34-29	21800	0-5	8-76	238522
Denmark	8895	175-83	520-530	15358	28-34	54-100	10123
Finland	1563	5-7	24-21	100	—	2-1	87237
France	1563	5-7	24-21	100	—	2-1	87237
Holland	1563	5-7	24-21	100	—	2-1	87237
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Holland	1563	5-7	24-21	100	—	2-1	87237
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US	1563	5-7	24-21	100	—	2-1	87237
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Germany	2220	53-48	150-140	15358	28-34	54-100	10123
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Japan	1525	75-70	225-78	12336	45-44	120-133	104320
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Belgium	4082	3-4	34-29	21800	0-5	8-76	238522
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UK	1563	5-7	24-21	100	—	2-1	87237
US	1563	5-7	24-21	100	—	2-1	87237

OTHER SPOT RATES			
Country	Sterling	Dollar	Country

Argentina	1,055	0,999	Nigeria	128,992	85,000
Australia	33,376	10,740	Oman	65,935	3,930
Brazil	1,906	0,998	Pakistan	32,680	34,753
China	12,522	6,330	Philippines	59,692	25,800
Egypt	3,017	4,455	Portugal	228,330	12,710
France	22,250	4,769	Qatar	5,514	3,640
Ghana	262,570	80,250	Russia	735,068	497,220
Great Britain	39,937	26,430	Saudi Arabia	1,652	4,375
India	19,820	19,820	South Africa	41,240	27,890
Kuwait	0,457	6,300	UAE	55,670	3,671

Tourist Rates

A Buys		B Buys		C Buys	
Australia (Dollars)	10,800	France (Francs)	7,895	New Zealand (Dollars)	2,005
Austria (Schillings)	10,800	Germany (Marks)	2,250	Norway (Krone)	97,700
Belgium (Francs)	44,300	Greece (Dracmas)	366,000	Portugal (Escudos)	13,000
Denmark (Krone)	2,005	Italy (Lira)	1,600	Spain (Pesetas)	17,500
Cyprus (Pounds)	10,800	Japan (Yen)	18,425	Sweden (Kronor)	10,800
Denmark (Krone)	8,700	Sing (Ling)	200,000,000	Switzerland (Francs)	1,600
Holland (Gulden)	2,875	Spain (Lira)	157,000	Turkey (Lira)	11,850,000
Holland (Gulden)	7,800	Malta (Lira)	6,800	United States (Dollars)	14,070

Interest Rates

UK		Germany		US		Japan	
Bare	600%	Discount	2.5%	Prime	8.75%	Discount	0.9%
France		Lombard	4.5%	Discount	5.0%	Belgium	
Intervention	3.7%	Cable		Non Funds	5.25%	Discount	2.5%
Italy		Periods	20%	10-Day Repo	750%	Central	1.3%
Discount	900%	Discount	500%	Swiss		Switzerland	1.5%
Interfunds		Discount		Bare/A-1	6.7%	Lombard	4.6%
	60%	Discount	1.8%				

Bond Yields

Country	5 yr	Yield %	10 yr	yield %	Country	5 yr	Yield %	10 yr	yield %
UK	5%	238	8%	254	Netherlands	5%	524	6%	621
US	6.74%	635	5.5%	665	Spain	5%	848	6.8%	929
Japan	6.4%	535	3%	541	Italy	4.7%	913	10.5%	978
Australia	5.7%	857	10%	871	Belgium	7.2%	54	7%	567
Germany	9.1%	53	8%	84	Greece	4%	785	6%	843
France	5.7%	553	8.5%	544	ECU/DM	6.4%	583	7.1%	557

Source: OECD, *Myriad Resources*. Yields calculated on local basis. — Denotes zero benchmark.

Money Market Rates

	O'Night	7 Day	1 Month	3 Months	6 Months	1 Year
Interbank	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4
Stirling Cde	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4
Local Authority Depo	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4
Discount Market Depo	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4
Treasury Bill (Buy)	-	-	-	-	-	-
Callor CDs	-	-	5 1/4	5 1/4	5 1/4	5 1/4
EDU Listed Dep	-	-	4 1/4	4 1/4	4 1/4	4 1/4

Liffe Financial Futures

Contract	Sales/Earn High/Low	High/Low Rate/Rate	Est/Cont Cont/Cont	Open Interest
Long Gilt (Jan 99)	100.00	100.04	100.07	44892
German Bond (Jan 99)	99.78	99.85	99.87	18509
Italian Bond (Jan 99)	99.78	99.82	99.85	7795
Italian Bond (Sep 99)	99.78	99.82	99.85	26859
Italian Bond (Jan 99)	14.70	14.85	14.91	64300
Italian Bond (Sep 99)	14.70	14.85	14.91	7600
3M Euroswap (Sep 99)	93.57	93.59	93.58	60070
3M Euroswap (Dec 99)	93.58	93.58	93.58	575
3M Euroswap (Jan 99)	93.58	93.58	93.58	14028
E.C.U. (Sep 99)	99.82	99.84	99.82	9711
E.C.U. (Jan 99)	99.82	99.84	99.82	57
Long 99T (Sep 99)	95.73	95.79	95.77	24573
Long 99T (Jan 99)	95.73	95.79	95.77	2698
FTSE 100 (Sep 99)	5760	5760	5760	1001
FTSE 100 (Jan 99)	4000	4000	4000	0
FTSE 250 (Sep 99)	51.36	51.42	51.36	5925

Liffe FT-SE Index Option

Settlement price: \$758.0		closing offer price		Call/Put
Series		3700	3750	3800
May	33/2	22/11	2/44	1/94
Jun	98/30	53/49	38/76	20/108
Jul	119/47	69/57	63/62	41/121
Aug	142/66	110/65	82/106	57/134

Commodities

INDUSTRIAL METALS - London Metal Exchange						
Shouse	Cash	5 mths	Volume	LME Stocks	chg	
Aluminium 95/95-215	1955-55	1959-65	75393	+	425	
Aluminium Alloy	920-95	920-95	152	35H		300
Copper 87H-25	2675-80	2675-80	10347	-	1250	
Lead 84H-25	1040-25	1040	8880	-	50	
Nickel 85H-25	8280-70	8230	1470	-	38	
Tin 85H-25	9520-60	4880	3639	+	30	
Zinc 104H-25	1075-75	1075-75	24837	-	845	
Synthetic Castorates	175	175H	24			
	50H	50H	12			
	25H	25H	12			
				Stock volumes & change in		

PRECIOUS METALS	
1000 oz. 24K Gold	1000.00
1000 oz. 22K Gold	950.00
1000 oz. 18K Gold	750.00
1000 oz. 14K Gold	550.00
1000 oz. 12K Gold	450.00
1000 oz. 9K Gold	350.00
1000 oz. 8K Gold	300.00
1000 oz. 7K Gold	250.00
1000 oz. 6K Gold	200.00
1000 oz. 5K Gold	150.00
1000 oz. 4K Gold	100.00
1000 oz. 3K Gold	50.00
1000 oz. 2K Gold	25.00
1000 oz. 1K Gold	12.50
1000 oz. 0.5K Gold	6.25
1000 oz. 0.25K Gold	3.12
1000 oz. 0.125K Gold	1.56
1000 oz. 0.0625K Gold	0.78
1000 oz. 0.03125K Gold	0.39
1000 oz. 0.015625K Gold	0.19
1000 oz. 0.0078125K Gold	0.09
1000 oz. 0.00390625K Gold	0.05
1000 oz. 0.001953125K Gold	0.02
1000 oz. 0.0009765625K Gold	0.01
1000 oz. 0.00048828125K Gold	0.00
1000 oz. 0.000244140625K Gold	0.00
1000 oz. 0.0001220703125K Gold	0.00
1000 oz. 0.00006103515625K Gold	0.00
1000 oz. 0.000030517578125K Gold	0.00
1000 oz. 0.0000152587890625K Gold	0.00
1000 oz. 0.00000762939453125K Gold	0.00
1000 oz. 0.000003814697265625K Gold	0.00
1000 oz. 0.0000019073486328125K Gold	0.00
1000 oz. 0.00000095367431640625K Gold	0.00
1000 oz. 0.000000476837158203125K Gold	0.00
1000 oz. 0.0000002384185791015625K Gold	0.00
1000 oz. 0.00000011920928955078125K Gold	0.00
1000 oz. 0.000000059604644775390625K Gold	0.00
1000 oz. 0.0000000298023223876953125K Gold	0.00
1000 oz. 0.00000001490116119384765625K Gold	0.00
1000 oz. 0.000000007450580596923828125K Gold	0.00
1000 oz. 0.0000000037252902984619140625K Gold	0.00
1000 oz. 0.00000000186264514923095703125K Gold	0.00
1000 oz. 0.000000000931322574615478515625K Gold	0.00
1000 oz. 0.0000000004656612873077392578125K Gold	0.00
1000 oz. 0.00000000023283064365386962890625K Gold	0.00
1000 oz. 0.000000000116415321826934814453125K Gold	0.00
1000 oz. 0.0000000000582076609134674072265625K Gold	0.00
1000 oz. 0.00000000002910383045673370361328125K Gold	0.00
1000 oz. 0.000000000014551915228366851806640625K Gold	0.00
1000 oz. 0.0000000000072759576141834259033203125K Gold	0.00
1000 oz. 0.00000000000363797880709171295166015625K Gold	0.00
1000 oz. 0.000000000001818989403545856475830078125K Gold	0.00
1000 oz. 0.0000000000009094947017729282379150390625K Gold	0.00
1000 oz. 0.00000000000045474735088646411895751953125K Gold	0.00
1000 oz. 0.000000000000227373675443232059478759765625K Gold	0.00
1000 oz. 0.0000000000001136868377216160297393798828125K Gold	0.00
1000 oz. 0.00000000000005684341886080801486968994140625K Gold	0.00
1000 oz. 0.000000000000028421709430404007434844970703125K Gold	0.00
1000 oz. 0.0000000000000142108547152020037174224853515625K Gold	0.00
1000 oz. 0.00000000000000710542735760100185871124267578125K Gold	0.00
1000 oz. 0.000000000000003552713678800500929355621337890625K Gold	0.00
1000 oz. 0.0000000000000017763568394002504646778106689453125K Gold	0.00
1000 oz. 0.00000000000000088817841970012523233890533447265625K Gold	0.00
1000 oz. 0.000000000000000444089209850062616169452667236328125K Gold	0.00
1000 oz. 0.0000000000000002220446049250313080847263336181640625K Gold	0.00
1000 oz. 0.00000000000000011102230246251565404236316680908203125K Gold	0.00
1000 oz. 0.000000000000000055511151231257827021181583404541015625K Gold	0.00
1000 oz. 0.0000000000000000277555756156289135105907917022705078125K Gold	0.00
1000 oz. 0.00000000000000001387778780781445675529539585113525390625K Gold	0.00
1000 oz. 0.00000000000000000693889390390722837764769792556762695	

Plant Name	#	£	Comments	#	£	Comments	#	£
Peashoot	403/00	265/65	Brickiana	406	268	Krugfronds	382/94	252/280
Pellucidum	133/00	87/95	Brickiana.5 oz	205	135	Soots	88/94	58/82
Silver spot	636	354	Brickiana.25 oz	105	69	Nobles	386/81	281/277
Gold Bufr	388/70	257/91	Brickiana.10 oz	52	34	Maple Leaf	293/408	258/286

Source: Science & Tech

AGRICULTURAL	
Cocoa	Coffee
1970-71	1970-71
1971-72	1971-72
1972-73	1972-73
1973-74	1973-74
1974-75	1974-75
1975-76	1975-76
1976-77	1976-77
1977-78	1977-78
1978-79	1978-79
1979-80	1979-80
1980-81	1980-81
1981-82	1981-82
1982-83	1982-83
1983-84	1983-84
1984-85	1984-85
1985-86	1985-86
1986-87	1986-87
1987-88	1987-88
1988-89	1988-89
1989-90	1989-90
1990-91	1990-91
1991-92	1991-92
1992-93	1992-93
1993-94	1993-94
1994-95	1994-95
1995-96	1995-96
1996-97	1996-97
1997-98	1997-98
1998-99	1998-99
1999-00	1999-00
2000-01	2000-01
2001-02	2001-02
2002-03	2002-03
2003-04	2003-04
2004-05	2004-05
2005-06	2005-06
2006-07	2006-07
2007-08	2007-08
2008-09	2008-09
2009-10	2009-10
2010-11	2010-11
2011-12	2011-12
2012-13	2012-13
2013-14	2013-14
2014-15	2014-15
2015-16	2015-16
2016-17	2016-17
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2089-90	2089-90
2090-91	2090-91
2091-92	2091-92

LCE	Chorn	LCE	Storme	LCE	Storme	LCE	Zlornne	ADA	Zlornne
May	137	May	195	May	1600	Jun	226.00	May	16
July	129	July	164	Sep	1020	Nov	82.50	Jun	23
Sep	148	Sep	192	Nov	1145	Nov	10.00	Jun	23
	2,808	Vol	2,808	Vol	58	Vol	72	Vol	133
White Sugar		Freight		Wheat		Com			7200 Pilsner
LCE	Storme	LCE	\$@kdecip	LCE	Storme	Com	CBSTW	Com	CBSTW
Aug	37750	May	160	May	2205		H-H		Self
Oct	34820	Jun	191	J.J	12335	May	58200-46550		500.00
Dec	33680	Nov	20	Sep	1675	J.J	49800-46050		493.50

Vol	4, 1992	Index	1992
Other Soils (Agricultural)			

[illegible]

IPE	5.30pm	*cbg	Yr ago	IPE
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Jun	1953	+0.08	1958	Jun	1970	-1.00	Jun	2120	Leading Gasoline	234/238
Jul	1955	+0.06	1955	Jul	1940	-0.75	July	2030	Naphtha	191/194
Aug	1950	+1.10	1955	Aug	192.76	-0.50	Aug	1980	EC Gasol	190/192
Vol:	43,007		Index:	19.24	Vol:	7,601	Sep	1905	Heavy Fuel Oil	102/104

*when 5,000+ previous day. Year ago prices show average for week. Source: CIG-London CIG Refinery. *when 5,000+

COMMODITY INDICES
*GSCI Indices Base data +Sect

Index	1970=100	21.57	+0.88	213.50	+3.87	230.44	+17.94
Agricultural	1970=100	228.39	+1.09	281.75	+5.83	293.07	+34.30
Energy	1965=100	70.44	+0.85	71.51	+1.22	62.48	+12.73
Nonferrous Metals	1977=100	194.28	-0.33	183.32	+0.50	193.87	+0.85
Livestock	1970=100	161.33	+1.05	122.71	+4.72	100.82	+18.12
Process Metals	1973=100	119.33	+1.80	119.33			

Source: Goldwyn, Sachs & Co. "ESC" is a trademark.

Stock	Bid	Mid	Offer	Stock	Bid	Mid	Offer
Abbey National Managed	128.5		145.8	NFI Managed	57.3		62.4
Abbey Managed Ser 4	77.8		86.9				

Windsor Durbin Managed Acc	1285.8
Windsor Multiple Inv Acc S3	122.5
AXA Equity & Law Balanced Ser II	435.2

Archery Handicap	7028	7022	Pool Mixed Acc	7085	7032
Archery Manager Acc	0109	0103	Pool Manager	0119	0115
Arch Hous Mngl Inv B2	50001	60189	Presidential	0089	0100
Atlanta LAS Managed Fund	4415	4264	Presidential Individual Managed Ser I	0077	0070
Atlanta Managed	3024	4033	Presidential Prdctd Managed	4030	4262
Atlanta Managed Ser 2	0218	0013	Private Managed Series I	0013	0011
California State/Institution	0012	3501	Private Mutual Managed Acc	0116	0010
California Mutual Managed	0013	0011	J.P. Morgan's FUNDING Managed	0011	0010

Commercial Union Managed	4000
Confederation Managed IV	12213
Coastal Managed A	10016

Equity Star Equity Managed	2629	2626	Popul Scottish Growth Managed	4613	476
Equitable Managed	3026	3026	Scottish Growth Managed	1947	3360
Florida Provident Managed	3578	3587	Scottish Amicable Managed Ser 1	5482	5747
Florida Prov NA CCM Vanguard Mgd	6906	6909	Scottish Equitable Mixed	3047	3309
Florida Provident NA Managed	7023	6403	Scottish Life Managed	3360	3638
Gen Foreign & Colonial	1868	1868	Scottish Mutual Growth	2785	2961
Gen Policy	2657	2587	Scottish Mutual Opportunity	5774	5921
Gen Managed	3029		Scottish Provident Inst Managed	3301	3413

Don Must-Select Ser 1	230
Don Perpetual	270
General Accident Manager	244

W. Managed Acc	7808	Shawco Van Show Managed	7810	2274
W. Guarded Managed	7809	Shawco WTR Managed	7853	2283
W. Herman Global Managed	5828	Shawco Wiscard	4422	2407
W. Samuel Managed Ser A	5432	Shawco Proprietary Managed	7701	2413
W. Samuel Target Mgmt Growth Acc	2225	Shawco Managed	6029	2478
W. Samuel Target Mgmt Managed Acc A	725	Shawco Managed	8051	2478
W. L. Global Mgmt Plan S	6630	Shawco Proprietary	7858	2480
W. Managed Acc Ser 3	6079			

Agri & General Managed Account	982.1
Avco National Managed Ser 4	982.2
Avco National Managed Ser 3	982.3

[illegible]

Richard Investors Managed	6508
Richard Growth Managed	7000
FU Mutual Bond	7527
J & R Bond Fund	

1974	1975	1976	1977	1978	1979
102.4	101.6	Wolfebach Managed	100.80	100.4	100.4

Style gives Cecil solid Oaks team

Racing

GREG WOOD reports from York

When Kevin Keegan arrived at the Knivesmire yesterday, he must have hoped to forget the misfortune which has dogged him in recent months, but the fates are in a particularly spiteful mood when it comes to the Newcastle manager. Not content simply with the elimination of Cecil's Reprisal, owned by Keegan, from the first race as the result of a technical error, they then decreed that Magnificent Style would win the day's big race with a striking demonstration of just where the Magpies went wrong.

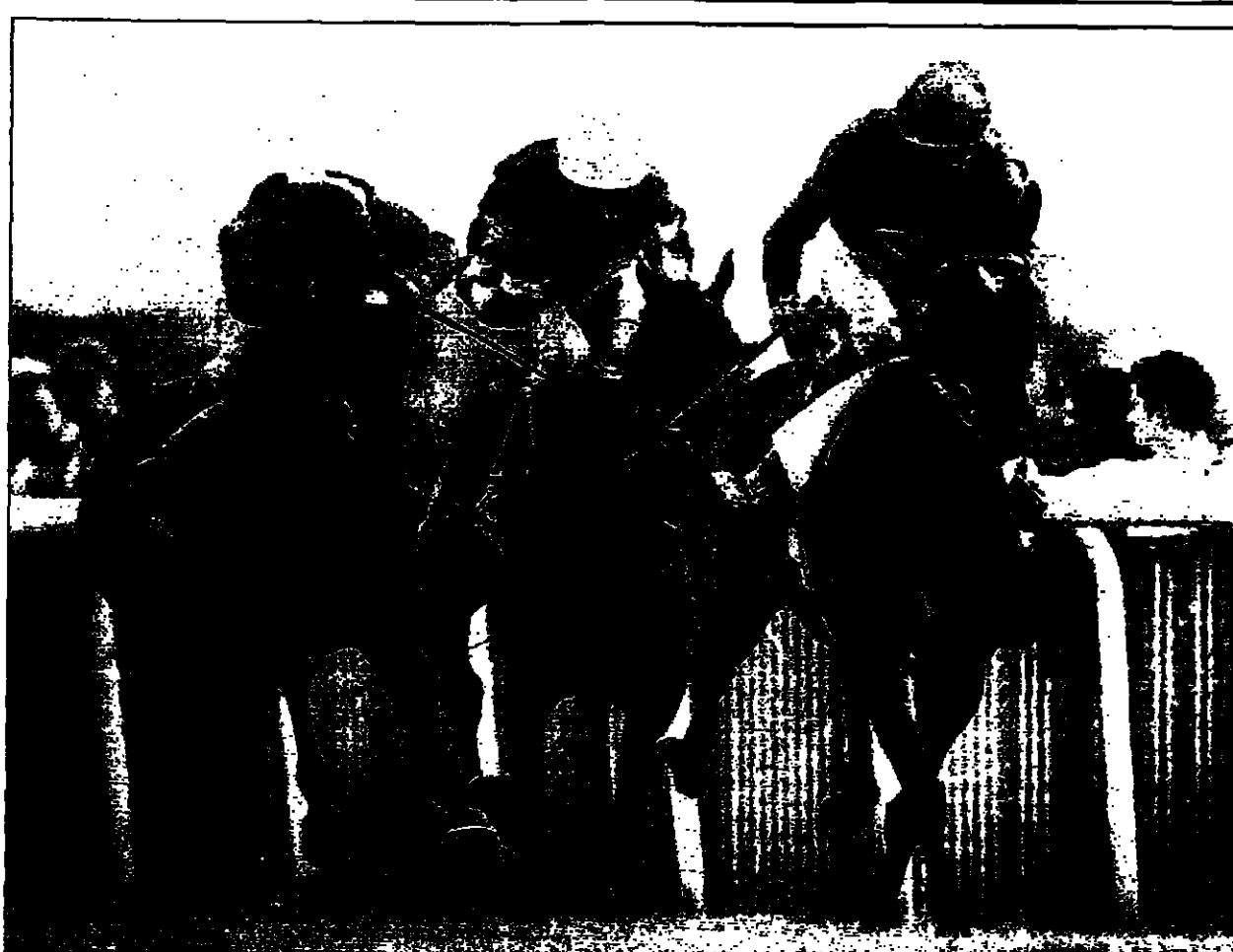
Like the football team, Henry Cecil's filly was quickly into her stride in the Musidora Stakes and had soon secured an impressive lead, but it was her response to a challenge with the winning post in sight that the comparison broke down.

At various stages of the final three furlongs, all four of her opponents appeared ready to deliver a major thrust, but Magnificent Style bravely repelled one after another to eventually run out the one-and-three-quarter length winner. Required viewing, perhaps, before big games at St James's Park next season.

The success gave Cecil his sixth Musidora in the last 11 years, and two of those winners, Diminuendo and Snow Bride, went on to win the Oaks, the latter admittedly thanks to Aliya's disqualification. At present, however, Magnificent Style is simply the latest Classic trial winner who is not engaged in the main event itself, and it will be up to Mahmoud Fustok, her owner, whether she is added to the Oaks field at a cost of £15,000.

If Fustok listens to her trainer, though, he may opt to keep his money in his pocket, and ante-post punters should do likewise until his decision is known. "She's still learning and she'll improve for this and I think over another two furlongs she'd have kicked away again," Cecil said. "Epsom's not the ideal course for her, but if we had a bit of give in the ground she'd get away with it. If it was very firm it might do her harm and we might have to revert to the Ribblesdale (at Royal Ascot) or Irish Oaks."

Epsom will doubtless be watered in the run-up to the Derby meeting, but a sound surface must still be the strong favourite. Cecil, meanwhile,



Magnificent Style repels Sila and Obsessive (left) in yesterday's Musidora Stakes. Photograph: Phil Cole/Altoport

has two other leading candidates for the Oaks in Lady Carla, a winner at Lingfield on Saturday, and Quota, who was the deeply impressive winner of a maiden at Sandown last month.

The bookmakers will run all the possibilities through their calculators after yesterday's race, and for once a slight difference of opinion emerged. Coral promoted Magnificent Style from 14-1 to 6-1 second-

favourite for the Oaks behind the 11-8 chance Prickett, who soundly beat Cecil's filly at Newmarket on 1,000 Guineas day. William Hill, though, will lay 10-1, but even that is hardly realistic about a filly who is far from certain to run.

Mick Kinane, who rode the perfect front-running race on Magnificent Style, was completing a double, having taken the opening maiden on the promising debutante, Dance

Kellaway's Glory to bring House down

RICHARD EDMONDSON

By cruel irony, today's Dante Stakes is sponsored by Home-owners, which, it appears, is exactly what punters won't be if they invest heavily in the race.

About the only trainer radiating confidence in the seven-runner Derby trial is Glory Of Dancer's man, Paul Kellaway, and he would fancy his chances even if he was putting his saddle on a frog.

The rudely short favourite today is Peter Chapple-Hyam's Nash House, who is an amazing 5-1 for the Derby despite his sole achievement being a maiden win at Newbury. To back him is like lumping on the chap who wins the dad's race at school sports day on his way to Atlanta.

Chapple-Hyam, for one, thinks Nash House's price is a touch unporting. "It's ridiculous," he said. "He's fit and fresh and well but he's only a baby even if he's a flipping good one."

Glory Of Dancer has won a Group One and even though it may have been in Italy (the Gran Criterium) it was still a Group One. Mine is not a punting price for me and you have to remember this is not the Derby."

Those who are expected to give Nash House some sort of contest include Team Cecil and Dushyantor. In giving full bulletins on the pair the Newmarket trainer seemed to suggest

the former was the better prepared for this occasion but he parked somewhat short of announcing him the likely winner.

"Storm Trooper is working well and I'm very pleased with him," Cecil said. "You can forget the Guinness because that was a farce. I'm not saying that a good horse didn't win it but they went very fast and the ground was funny down the middle. The mile was a bit on the sharp side for my horse and this is more his trip."

Dushyantor, like his stablemate and 1,000 Guineas winner

RICHARD EDMONDSON
NAP: Monassib
(York 2.35)
NB: Glory Of Dancer
(York 3.40)

Bosra Sham, has read all the magazines at the Newmarket pedicure clinic. "He's got very brittle feet and in fact he's got three-quarter cracks at the moment," Cecil said. "I'm doing the same thing with Dushyantor that I did with Commander in Chief [his half-brother and 1993 Derby winner], bringing him back to his trip after the won over a mile and half first time out."

"I made more sense to run in the Dante than to give 8lb away in the Glasgow Stakes and he'll come on for this. It's more education than anything else."

With so many disclaimers flying about it may pay to stick with Glory Of Dancer (next best 3.40), who not only has the form from last year but also this on his second in the Classic Trial at Sandown.

Elsewhere, there is a good opportunity for MONASSIB (nap 2.35), whose trainer, Ed Dunlop, will have to get the rope ladder down from his cloud to collect his trophy after winning the French 1,000 Guineas with Tab on Sunday. There are prospects also with Insider Spark (3.05) and Indian Trader (4.10), who won the Brocklesby at Doncaster.

YORK

2.35 CLAN BEN, a highly credible three-quarters of a length second to Desert Green in the Jubilee Handicap at Kempton on May Bank Holiday Monday, can go one better.

The danger may be known, who got up in the last stride to beat Monassib a short-head in a seven-furlong rated handicap at the Newmarket Craven meeting, followed up in a stakes race over a mile at Ascot subsequently and can confirm those placings on 1lb worse terms. First placed, perhaps today, may still defy a 6lb penalty.

HYPERION'S TV TIPS

3.05 PRIDE OF BRITTON, who bolted in by 3/4 lengths from Night Parade at Chester last week, had a good draw this time, with a respectable berth again today, may still defy a 6lb penalty.

HYPERION

2.35 CLAN BEN
2.35 CLAN BEN
3.05 PRIDE OF BRITTON (nap)
4.40 Daylight Dreams
4.40 Daylight Dreams

GOING: Good to Firm. STALLS: Round course - inside rail; remainder - stands. DRAW ADVANTAGE: None.

LEAD: 1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th, 11th, 12th, 13th, 14th, 15th, 16th, 17th, 18th, 19th, 20th, 21st, 22nd, 23rd, 24th, 25th, 26th, 27th, 28th, 29th, 30th, 31st, 32nd, 33rd, 34th, 35th, 36th, 37th, 38th, 39th, 40th, 41st, 42nd, 43rd, 44th, 45th, 46th, 47th, 48th, 49th, 50th, 51st, 52nd, 53rd, 54th, 55th, 56th, 57th, 58th, 59th, 60th, 61st, 62nd, 63rd, 64th, 65th, 66th, 67th, 68th, 69th, 70th, 71st, 72nd, 73rd, 74th, 75th, 76th, 77th, 78th, 79th, 80th, 81st, 82nd, 83rd, 84th, 85th, 86th, 87th, 88th, 89th, 90th, 91st, 92nd, 93rd, 94th, 95th, 96th, 97th, 98th, 99th, 100th, 101st, 102nd, 103rd, 104th, 105th, 106th, 107th, 108th, 109th, 110th, 111th, 112th, 113th, 114th, 115th, 116th, 117th, 118th, 119th, 120th, 121st, 122nd, 123rd, 124th, 125th, 126th, 127th, 128th, 129th, 130th, 131st, 132nd, 133rd, 134th, 135th, 136th, 137th, 138th, 139th, 140th, 141st, 142nd, 143rd, 144th, 145th, 146th, 147th, 148th, 149th, 150th, 151st, 152nd, 153rd, 154th, 155th, 156th, 157th, 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Export America's

SPORT

'I am looking forward to jumping in Atlanta. But I'm pretty scared too'
Jonathan Edwards on the build-up to the Olympics Page 22

England's injured look on bright side

Football

GLENN MOORE

A sitcom scriptwriter would have had them comparing scars: "So how long's yours?" Darren Anderton would have said to Alan Shearer. "About four inches," he might have replied. To which Tony Adams could have interjected: "It's not size that's important, it's what was taken out. Ha, ha, ha."

Given the level of training ground humour it would not have been so surprising if the

conversation had gone along those lines at Bisham Abbey yesterday but, for England's returning invalids, the situation is too serious to be funny.

At one time Anderton, Adams and Shearer have each feared they could miss the European Championship finals. They may yet do so. Anderton and Adams trained in full at Bisham yesterday as England prepared for Saturday's friendly with Hungary. Shearer took part in the lighter work.

Shearer, who had a groin operation last month, expects to

be in full training by tomorrow but, said Terry Venables, is unlikely to play on Saturday. Anderton and Adams both hope to do so - for them the need is more acute. While Shearer only missed the last few games of the season Adams did not play after January and Anderton missed almost the entire campaign.

Adams has played only one game of any kind - Paul Merson's testimonial - in six weeks and he admitted: "I thought I was running out of time. I am still having treatment but that

is just a precaution. I have had no problems whatsoever with my right knee - just the occasional twinge in my medial ligaments."

"I will see how it goes and then talk to Terry Venables. You listen to your body. I want to be in the championships but I am not going to say I am fit if I am not. I am an honest man. I would rather a fit centre-half played for the country than me if I'm not 100 per cent. It would not be doing myself or my country justice."

Then, in an unfortunate anal-

ogy given his trademark offside appeal, Adams added: "I'll hold my hands up if I don't think I'm fit."

Anderton, another groin victim, said: "At one stage I did not think I would be here but it feels good now. I played three 90 minutes in a week at the end of the season and I've been surprised how fit I am."

"I'm not sure if I'm fit for tournament play, I need a couple more games."

Anderton, like Adams, is likely to play the first of those matches on Saturday. He has

been earmarked for the Paul Gascoigne role - the usual incumbent is playing for Rangers in the Scottish Cup final.

England may also be without their Liverpool contingent. Definitely out is Rob Jones, who needs treatment on a long-term back injury. He is likely to be out for three to six months, which rules him out of Euro 96.

The other Liverpool players have just been rested. Cynics might suggest they had their rest on Saturday but Liverpool's soporific performance merely

underlines how tired they are. Steve McManaman and Robbie Fowler, who have both played 56 games this season - the highest in the squad - have been given the week off. Jamie Redknapp and Mark Wright will join up today.

All four are likely to go to China - if England go there. Venables is having tomorrow's match between China and Lazio watched and the pitch assessed. If it is found wanting England will play just one game in Hong Kong. Venables is expected to announce the tour

squad tomorrow, after he has checked on Gary Pallister and Steve Howey. With Adams' fitness already in doubt he is unlikely to take any further chances.

Adams hopes his own injury may even prove beneficial. "John Jensen was on the beach for two weeks before the last European Championship and Denmark won it," he said. "In 1988 I went to the Championships on the back of a 75-game season [England did not gain a point]. Which of those is the better preparation?"

BENSON AND HEDGES CUP: Morris leads charge as Glamorgan defy odds to reach quarter-finals

Watkin covers himself in glory

HENRY BLOFELD

reports from Canterbury
Kent 208-9; Glamorgan 210-2
(Glamorgan win by 8 wickets)

When Glamorgan began their innings they knew they had to score 209 to win in a maximum of 38.4 overs to be certain of qualifying for the Benson and Hedges Cup quarter-finals. A more leisurely victory would have brought qualification only as long as Essex beat Somerset - which they did.

This mathematical confusion made Glamorgan's victory - scoring 210 for 2 in 32.4 overs, with six overs to spare as far as their first objective was concerned and with 17.2 overs in hand overall - all the more remarkable. Kent also got through to the next round by Somerset's default, as it were.

Steve Watkin produced a wonderful piece of seam bowling on a pitch which allowed a certain amount of movement early on. His 4 for 5 in 21 balls reduced Kent to 26 for 4 in the ninth over and set up the possibility of Glamorgan winning the match, and Group C with it. Not even Carl Hooper could substantially alter things after that and Watkin won the gold award.

This may seem tough luck on Hugh Morris, who led Glamorgan's batting charge with a superb exhibition of true strokeplay which brought him 136 not out, his third century in all cricket this season. If it had not been for Watkin, Morris might never have had the chance.

With Somerset reaching 250,



The Kent captain, Steve Marsh, narrowly evades the clutches of Glamorgan's Steve Barwick at Canterbury yesterday

Photograph: David Ashdown

Glamorgan realised they had to go for the harder of the two targets and they were given a perfect start by Morris and Steve James. Early on, scarcely an over went by without two fours being hit, and from lovely cricket shots too.

But they were undoubtedly helped by Kent's bowlers who were obsessed with pitching

the ball up to two batsmen who are both excellent players off the front foot. They split the field with one peerless off drive after another against the four Kent seam bowlers.

To have kept these two quiet, they needed to bowl short of a length at the middle stump allowing the batsmen no width to cut. As it was, Morris and

James gratefully helped themselves.

The 50 came up in the 10th over and at that stage the two Welshmen matched each other stroke for stroke. In the 11th over Matthew Fleming produced the only maiden of the innings, a notable achievement in itself. In the 13th Morris hit him for four fours and then raced

away from James reaching his hundred in 68 balls.

Apart from all the exquisite driving, one other stroke stood out and that was played by James. In the 18th over he faced the left-arm spin of Min Patel and adjusted at the very last moment to a good length ball which, with quick wrists and reactions to match, he half

rammed down and half cut to the third man boundary. It was a delicious moment.

They put on 181 for the first wicket in 26 overs before James turned Mark Ealham to square leg. Morris stayed to the end facing exactly 100 balls in all and hitting one six and 21 fours.

More reports, Scoreboard, page 22

Vialli eager for Chelsea's £2m salary

ALAN NIXON

Gianluca Vialli is expected to become Ron Gullitt's first signing for Chelsea next week, in a deal with the Stamford Bridge club that will earn him £2m per year.

The Italian international has agreed to the move after speaking with Chelsea's new player-manager. He has told Gullitt that he wants to come to London - both Rangers and Middlesbrough have tried to tempt the Juventus striker but he prefers the attractions of the capital.

The arrival of his friend, Gullitt, in the manager's office has secured the deal, which should be agreed in the next few days and made official after next week's European Cup final against Ajax in Rome.

Vialli thinks it is time for a new start after being overlooked for the Italian Euro 96 squad. He has been looking for a £40,000-per-week deal, which has scared off some clubs. However, with no transfer fee to pay, the Stamford Bridge club believe he is worth the outlay.

The Blackburn Rovers manager, Ray Harford, has made a £3.5m bid for the French international striker, Christophe Dugarry. Harford is willing to double Dugarry's wages in an attempt to persuade him to quit the UEFA Cup finalists, Bordeaux. The fee will be acceptable to Bordeaux, but Dugarry is reluctant to move to England. However, Blackburn are offering him £12,000 a week, which is twice his present wage.

Bryan Robson has added another Brazilian to his squad at

Middlesbrough with yesterday's £4m signing of the 24-year-old midfielder, Emerson, from Porto. Bobby Robson, the former England manager, who now coaches Porto, recommended Emerson to his namesake.

He is a strong, intelligent player who can dictate the pace of the game. He is a good passer and can score goals," the Middlesbrough manager said of his new signing, who is uncapped at senior level but does not need a work permit because of his Portuguese passport.

The Ajax striker, Patrick Kluivert, is free to play for the Netherlands at the European Championship after avoiding a jail sentence yesterday. At a court in Amsterdam he was found guilty of vehicular homicide, after an accident last September when a borrowed BMW he was driving crashed into another car, killing its driver. The 19-year-old Kluivert was ordered to do 240 hours of community service, and was banned from driving for 18 months.

Kluivert was one of nine Ajax players in the Dutch squad for Euro 96 which was announced yesterday by the Netherlands' coach, Guus Hiddink, but there was no room for the Arsenal winger, Glenn Helder. Bryan Hamilton, the Northern Ireland manager, included two uncapped players in his squad for the friendly against Germany in Belfast on 29 May: Phil Mulryne, the 18-year-old Manchester United winger, and Roy Carroll, 19, the Hull City goalkeeper.

International squads, Sporting Digest, page 23

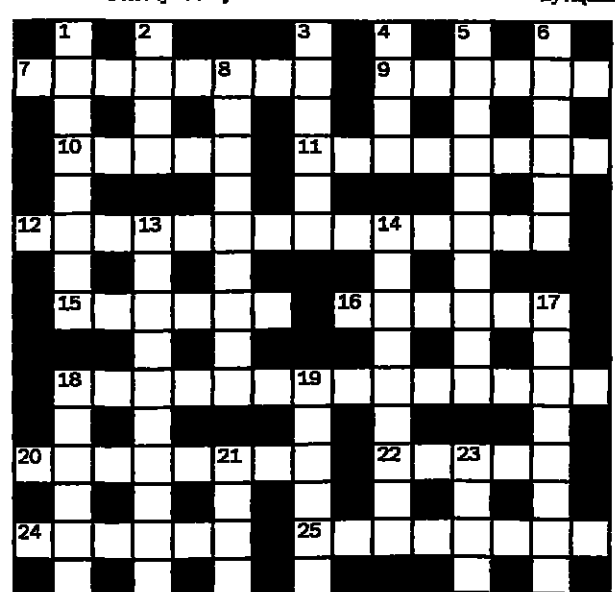
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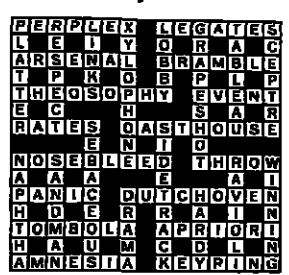
No 2987, Wednesday 15 May

By Aquila



- 4 Bunch of keys for bistro? (4)
5 Near pulpit, trembling before the wedding (10)
6 Uncle of an American Indian (6)
8 Having misused optics, I am pleasant and congenial (9)
13 Scott's novel, semi-epic, work like a charm? (10)
14 This chap appears on foot in winter? (9)
17 Dumping is farmwork (8)
18 List like chandelier short of oxygen? (6)
19 Stepped out in Dorset resort (6)
21 Composer Charles making 50% of records? (4)
23 Bits of objects (4)

Yesterday's Solution



- ACROSS
7 French taken in true requital (8)
9 No main highway in America, for example? (6)
10 "Paroxysm" springs to mind initially (5)
11 Good tendency in harvesting (8)
12 Ed ending in grammar school? (4,10)
15 Cake consumed like lightning in France? (6)
16 Felt sorry for Italian clothed in black-and-white (6)
- DOWN
1 Main view of Turner's work, for example (8)
2 Melody from a Stradivari, Amati etc (4)
3 Land on fire? (6)

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Counties' demands fan flames of RFU dispute

Rugby Union
STEVE BALE

Yet another round of discussions between the Rugby Football Union and its leading clubs is planned for Friday, but the mere fact of meeting again should not be interpreted as indicating a solution is in sight to their intractable and interminable problems.

Indeed, a formal breakaway by those clubs scheduled to be in the First and Second Divisions of next season's Courage League is no less likely than it was before Monday's inconclusive meeting. They have already announced a boycott of the league and cup and claim to have a fixture-list incorporating European, cross-border and domestic rugby ready to publish.

Monday's meeting - at which delicate moment the antagonists agreed to avoid public comment - made no progress on the substantive issues which divide the two parties concerning the control and finance of professional club rugby. As one participant put it: "We are making progress in the areas we were always making progress in."

This leaves a chasm between the union and clubs that the ap-

pointment of Bill Bishop, the RFU president, as independent chairman of the talks has done nothing to narrow. It is evident that Cliff Brittle, the RFU executive committee chairman whom the clubs see as an insurmountable obstacle to a settlement, has as tight a hold as ever on the union's side of the debate.

He is now fortified by a belated intervention by the English Rugby Counties' Association, a relic of the RFU's past but Brittle's power base when he stood to become executive chairman. Should Brittle ever backslide from his position that the union maintains its untrammeled control over the professional club game, ERCA warns that it would then mount a counter-insurrection of its own.

In a statement, ERCA specified three non-negotiable areas of exclusive RFU responsibility - control of the game, all financial matters and all competitions - and one, players' contracts, of RFU primacy. If this were to remain the RFU position, it is guaranteed that the clubs would secede.

The membership of English Professional Rugby Union Clubs, who are prone to conspiracy theories, believe Brittle has been orchestrating ERCA's campaign.

The counties criticise unnamed RFU officers and executives for failing to support Brittle, a barb that is undoubtedly pointed principally at Tony Hallett, the secretary, and Bishop.

The counties' action is useful in at least one respect though: in laying bare the union's division in its own negotiating position. Whereas Bishop and the full RFU committee have explicitly acknowledged Epruc as the representative voice of the professional clubs, Brittle at Monday's meeting still declined to do so.

ERCA, meanwhile, has demanded a meeting with Bishop, Hallett and others, and if it does not receive satisfaction it will set the union on course to its third special general meeting of the year. At which point it is safe to assume the Rugby Football Union would be at the point of meltdown.

Arwel Thomas, the Wales outside-half, has signed to play for Swansea next season, leaving Bristol.

Roger Uttley and Nigel Melville, both former Wasps players and England captains, will return to the club next season. Melville will be director of rugby while Uttley will be non-executive chairman of playing.

Edwards loses place to Goulding

Rugby League

June, to Bobbie Goulding of St Helens.

Shaun Edwards' international career is far from over, despite his omission from the England squad for the European Championship match against France.

The Wigan captain and scrum-half has lost his place for the game at Gateshead on 12

June, to Bobbie Goulding of St Helens.

"Shaun is still in the frame, and with the Great Britain tour coming up he's going to be one of the players very much in contention," Phil Larder, the England coach, said.

"They are both outstanding players and it was a straight choice between the two of them

for the No 7 shirt. I feel, though, that Bobbie has just shaded him by a whisker."

Edwards said: "All I have got to say really is that it is up to Phil Larder - he picks the team. I would be a lot more disturbed if it was a Great Britain Test team."

England squad, Sporting Digest, page 23

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